

THE WORLD ON MERCATOR'S



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Sessional Papers (No. 5B.)

A. 1894

PROCEEDINGS
OF THE
COLONIAL CONFERENCE
1894

HELD IN OTTAWA, CANADA, FROM 28TH JUNE TO 9TH JULY, 1894

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

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Colonial Conference.

To His Excellency the Right Honourable Sir John Campbell Hamilton-Gordon, Earl of Aberdeen, Governor General of Canada, &c., &c., &c.

MAY IT PLEASE YOUR EXCELLENCY :—

The undersigned has the honour to present to Your Excellency the Report of the proceedings of the Colonial Conference, held in Ottawa from 28th June to 9th July, 1894.

Respectfully submitted,

MACKENZIE BOWELL,

Minister of Trade and Commerce.

OTTAWA, 1st September, 1894.

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Colonial Conference.

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MINUTES OF PROCEEDINGS OF THE COLONIAL CONFERENCE

HELD AT
OTTAWA, CANADA

JUNE 28TH—JULY 9TH

1894

SENATE CHAMBER,
OTTAWA, CANADA, 28th June, 1894.

Pursuant to an invitation extended by the Government of Canada, and contained in an Order in Council of that Government, dated 5th of February, 1894 (*see* Appendix A), the following delegates presented themselves for conference, namely :—

The Right Honourable the Earl of Jersey, P.C., G.C.M.G., representing the Government of Her Majesty ;

The Honourable Mackenzie Bowell, P.C., Minister of Trade and Commerce ; the Honourable Sir Adolphe P. Caron, P.C., K.C.M.G., Postmaster General ; the Honourable George Eulas Foster, P.C., LL.D., Minister of Finance ; and Sandford Fleming, Esq., C.M.G., representing the Government of the Dominion of Canada ;

The Honourable F. B. Suttor, M.L.A., Minister of Public Instruction, representing the Government of New South Wales ;

The Honourable Nicholas Fitzgerald, M.L.C., representing the Government of Tasmania ;

The Honourable Sir Henry de Villiers, K.C.M.G., and Sir Charles Mills, K.C.M.G., C.B., representing the Government of the Cape of Good Hope ;

The Honourable Thomas Playford, Agent General, representing the Government of South Australia ;

A. Lee Smith, Esq., representing the Government of New Zealand ;

Sir Henry Wrixon, K.C.M.G., Q.C., Honourable Nicholas Fitzgerald, M.L.C., and Honourable Simon Fraser, M.L.C., representing the Government of Victoria ;

The Honourable A. J. Thynne, M.L.C., Member of the Executive Council, and Honourable William Forrest, M.L.C., representing the Government of Queensland.

The proceedings of the day were open to the public and were presided over by His Excellency the Governor General of Canada, who delivered an address of welcome.

The Right Honourable Sir John Thompson, K.C.M.G., Premier of Canada, also delivered an address of welcome, and addresses, in reply, were delivered in the following order :—

Imperial Government.—The Earl of Jersey.

Tasmania.—Hon. N. Fitzgerald.

New South Wales.—Hon. F. B. Suttor.

Cape of Good Hope.—Sir Henry de Villiers.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne.

On motion of the Honourable F. B. Suttor, seconded by Sir Charles Mills, it was *Resolved*: "That a Committee be appointed to prepare an Address of Congratulation, to Her Majesty the Queen, upon her having attained the fifty-seventh anniversary of Her Coronation.

"That the Committee consist of Honourable Mackenzie Bowell, Sir Charles Mills, Honourable Thomas Playford, Alfred Lee Smith, Esq., Honourable Nicholas Fitzgerald, Honourable Simon Fraser, Honourable A. J. Thynne, and the mover."

The Honourable F. B. Suttor, on behalf of the Committee, reported, and it was ordered that the Address, as read, be engrossed; and that His Excellency be requested to transmit it to Her Majesty.

His Excellency then declared the day's proceedings ended, and announced that a meeting for business would be held next day, at 10.30 a.m., in the office of the Minister of Trade and Commerce.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 29th June, 1894.

The first business session of the conference was organized at 10.30 o'clock a.m.

The representatives present were the same as those present at the public session held on the previous day.

The Delegates filed their credentials. (*See appendix A.*)

A letter was read from Mr. Theo. H. Davies, dated Ottawa, June 27th, 1894, explaining the position which the Honolulu Chamber of Commerce expected that he should occupy in connection with the conference. The letter was placed on file. (*See appendix A.*)

On motion of the Honourable Nicholas Fitzgerald, seconded by the Right Honourable the Earl of Jersey, it was unanimously

"*Resolved*, That the Honourable Mackenzie Bowell be appointed President of the conference."

The President then addressed the conference.

Colonial Conference.

On motion of Sir Adolphe Caron, seconded by the Honourable Mr. Suttor, it was
"Resolved, That the President's address be printed and distributed for the use of the delegates during the conference."

In view of a statement made by the President that the death of a near relative would necessitate his absence on the following day, it was moved by Sir Charles Mills, seconded by the Right Honourable the Earl of Jersey, and

"Resolved, That this conference presents its expression of profound sympathy and condolence to the President, the Honourable Mackenzie Bowell, in his lamented bereavement."

The Honourable Mr. Suttor gave notice that he would, on Monday next, move ;—

"That in the opinion of this conference immediate steps should be taken to provide telegraphic communication by cable, under sole British control, between the Dominion of Canada and Australasia."

Mr. Lee Smith submitted the following :—

"I beg to give notice that I will move an amendment to Mr. Suttor's motion—to the effect that the word 'Australasia' be struck out and 'Australia and New Zealand' be inserted in the place thereof."

Sir Henry Wrixon gave notice that, on Saturday, he would move :—

"That provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity with Great Britain, or with one another, without foreign nations being entitled to share therein."

On motion of the Honourable Mr. Suttor, seconded by Mr. Leo Smith, it was unanimously

"Resolved, That in the business of this conference the voting shall be by colonies."

The President stated, for the information of the delegates, that he had entrusted the work of recording the proceedings of the conference to Mr. Douglas Stewart, Private Secretary to the Premier of Canada, and Mr. J. L. Payne, his own Private Secretary, who would act in the capacity of Joint Secretaries of the conference.

At the request of the Right Honourable the Earl of Jersey, it was agreed that Mr. W. H. Mercer, of the Imperial Colonial Office, be given permission to be present at the sittings of the conference.

On motion of Sir Charles Mills, it was

Ordered, "That the Report of the Trade and Treaties Committee be laid on the table of the conference."

The President laid on the table a report recently prepared by Sir John Thompson, on the question of Copyright in Canada. (*See Appendix B.*)

On motion, it was

"Resolved, That the Honourable Sir Adolphe Caron be appointed Vice-President of the conference."

The conference adjourned at 1 o'clock.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 30th June, 1894.

Conference resumed at 10.30 o'clock, a.m.

DELEGATES PRESENT :

Imperial Government.—The Right Honourable the Earl of Jersey.

Canada.—Hon. Sir A. P. Caron, Hon. G. E. Foster and Mr. Sandford Fleming.

New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. N. Fitzgerald.

Cape of Good Hope.—Sir Henry deVilliers and Sir Charles Mills.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon and Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne and Hon. William Forrest.

In the absence of the President, the Vice-President, Sir Adolphe Caron, occupied the chair.

The Vice-President read a communication from Government House, Ottawa, conveying the following telegram from Her Majesty, in response to the congratulatory message forwarded by the conference on the occasion of the fifty-seventh anniversary of Her Majesty's Coronation :

"GOVERNOR GENERAL,
Ottawa, Canada.

From Windsor Castle.

My sincere thanks for your kind congratulations."

(Sgd.) "V.R.I."

The reading of the telegram evoked enthusiastic applause.

A telegram was read from the secretary of the Imperial Federationists of Edinburgh, Scotland, expressing satisfaction at the meeting of the conference, and the hope that its labours might tend toward imperial unity.

The Vice-President laid upon the table copies of Reports of the Trade and Treaties Committee of the Imperial Parliament, ordered at the last preceding meeting of the conference.

Sir Henry Wrixon, in accordance with previous notice, made the following motion, which was seconded by the Honourable F. B. Suttor :—

"*Resolved*, That provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity with Great Britain, or with one another, without foreign nations being entitled to share therein."

A discussion, having arisen thereon, the mover and seconder, with the consent of the conference, withdrew the resolution as submitted, and substituted the following :—

"*Resolved*, That provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity, including power of making differential tariffs, with Great Britain, or with one another."

After discussion, the resolution was unanimously adopted.

Colonial Conference.

Hon. Mr. Fitzgerald gave notice that at the next sitting of the conference he would move:—

"That this conference is of opinion that the existing treaties between Great Britain and the German Zollverein, and with the Kingdom of Belgium, should be denounced and terminated as early as their conditions will permit, so far as regards the clauses therein specially naming British Colonies; and that Her Majesty's Government be requested to take the necessary steps with this object."

Sir Henry de Villiers gave notice that at a future sitting he would move:

"That, in the opinion of this conference, any obstacles which may at present exist to the power of the self-governing dependencies of the Empire to enter into agreements of commercial reciprocity with each other, or with Great Britain, should be removed by imperial legislation, or otherwise."

A letter from the secretary of the Board of Trade, Toronto, was read, inviting the delegates to participate in an excursion to Niagara, and a banquet at Toronto, on Wednesday, July 11th.

It was agreed that the invitation be accepted.

The conference adjourned at 1 o'clock, p.m.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,
OTTAWA, 2nd July, 1894.

The conference resumed at 9.30 a.m., Sir Adolphe Caron, Vice President, in the chair.

DELEGATES PRESENT:

The Imperial Government.—The Right Hon. the Earl of Jersey.

Canada.—Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

Cape of Good Hope.—Hon. Sir Henry de Villiers, Sir Charles Mills.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

The following telegram was read:—

"EPSOM, 30th June, 1894.

"Hon. MACKENZIE BOWELL,
"Ottawa.

"I am anxious to express to you, as the President, the sympathy and interest with which I am watching the proceedings of the conference, which should be of such happy augury for the future of the Empire."

(Sgd.) "ROSEBERY."

It was agreed, that the character and extent of information respecting the proceedings, which might properly be sent to the Governments represented at the conference, be left to the discretion of the delegates representing the respective governments.

Hon. Mr. Suttor, pursuant to notice, moved :—

"That in the opinion of this conference immediate steps should be taken to provide telegraphic communication by cable, under sole British control, between the Dominion of Canada and Australasia."

Sir Henry Wrixon seconded the motion.

Mr. Alfred Lee Smith moved, in amendment :—

"That the word 'Australasia' be struck out and the words 'Australia and New Zealand' be inserted in the place thereof."

Hon. Mr. Playford seconded the amendment.

After discussion, Mr. Smith withdrew his amendment, on the assurance that the motion was intended to embrace New Zealand in the word "Australasia," and that the matter of route for the proposed cable should stand for future deliberation; and he announced his intention to propose a resolution on the subject, at a later stage.

A discussion having arisen on the motion of Hon. Mr. Suttor, it was, on motion, of Hon. Mr. Playford, adjourned.

A letter was read from Mr. Theo. H. Davies, intimating that he desired to leave Ottawa in a few days, and asking if the conference wished him to be present when cable and steamship matters were being discussed.

On motion of Hon. Mr. Foster, it was agreed that Mr. Davies be invited to attend the conference, at its next session, for the purpose of giving his views in relation to cable and steamship matters.

Conference adjourned at 1 o'clock, p.m.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 3rd July, 1894.

The conference resumed at 10.30 o'clock.

DELEGATES PRESENT :

The Imperial Government.—The Right the Hon. Earl of Jersey.

Canada.—Hon. Mackenzie Bowell, Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

Cape of Good Hope.—Hon. Sir Henry DeVilliers, Sir Charles Mills.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

By direction of the conference, the President transmitted a reply to the telegram of the Right Honourable the Earl of Rosebery, dated June 30th.

The following is a copy of the reply so forwarded :

"LORD ROSEBERY,

"Foreign Office, London.

"The members of this conference acknowledge with great pleasure your Lordship's kind telegram, received yesterday, and join in your hope that our deliberations may assist in assuring the continued unity and greatness of the Empire.

(Sgd.)

"MACKENZIE BOWELL."

Colonial Conference.

Conference resumed the debate on the motion of Hon. Mr. Suttor :—

"That, in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable, under sole British control, between the Dominion of Canada and Australasia."

During the progress of the debate Mr. Theo. H. Davies, a representative of the Chamber of Commerce of Honolulu, presented himself, in accordance with an invitation extended by the conference, and delivered an address on the advantages of including Hawaii in any scheme of trans-Pacific cable or steamship communication which might be decided on.

After the withdrawal of Mr. Davies, the debate on the resolution of Hon. Mr. Suttor was resumed.

By consent of the conference, Hon. Mr. Suttor withdrew his motion, as originally submitted, and substituted the following :—

Resolved : "That, in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia."

Sir Henry Wrixon seconded the motion.

A debate ensuing thereon, it was, on motion of Sir Charles Mills, adjourned.

Mr. A. Lee Smith gave notice that at a future sitting he would move :—

"That if the words 'Australasian Colonies' be used in any motions or amendments that may be brought before this conference they shall mean the colonies of Australasia and the colony of New Zealand, but shall not be considered as intended to define any particular cable or mail route."

Conference adjourned at 6 o'clock, p.m.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 4th July, 1894.

The conference resumed at 10 o'clock a.m.

DELEGATES PRESENT :

The Imperial Government.—The Right Hon. the Earl of Jersey.

Canada.—Hon. Mackenzie Bowell, Hon. Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

New South Wales.—Hon. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

Cape of Good Hope.—Hon. Sir Henry DeVilliers, Sir Charles Mills.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

A communication was read from the Board of Trade of Hamilton, conveying an invitation to the Delegates to visit that city.

The debate was resumed on the motion of Hon. Mr. Suttor :—

"That, in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia."

The discussion having continued for some time, it was agreed that the debate stand.

Sir Henry DeVilliers made the following motion :—

"*Resolved* : That, in the opinion of this conference, any obstacles which may at present exist to the power of the self-governing dependencies of the Empire to enter into agreements of commercial reciprocity with each other, or with Great Britain, should be removed by imperial legislation, or otherwise."

A discussion having arisen thereon, the motion was, by consent of the conference, withdrawn.

Hon. Mr. Fitzgerald asked leave to withdraw his notice of motion on the records, namely :—

"That this conference is of opinion that the existing treaties between Great Britain and the German Zollverein, and with the Kingdom of Belgium, should be denounced and terminated as early as their conditions will permit, so far as regards the clauses therein specially naming British Colonies ; and that Her Majesty's Government be requested to take necessary steps with this object."

By consent of the conference, it was dropped from the order paper.

It was moved by Hon. Mr. Suttor, seconded by Hon. Mr. Fitzgerald, and

Resolved, without dissent : "That this conference is of opinion that any provisions in existing treaties between Great Britain and any foreign power, which prevent the self-governing dependencies of the Empire from entering into agreements of commercial reciprocity with each other, or with Great Britain, should be removed."

Hon. Mr. Foster gave notice that, at next sitting, he would move that :

"*Whereas* : The stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare ;

"*And Whereas* : This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products ;"

"*Therefore Resolved* : That this conference records its belief in the advisability and practical possibility of a customs arrangement between Great Britain and her colonies, by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries."

"*And further Resolved* : That, pending the assent of the mother country to such an arrangement in which she shall be included, it is desirable that the colonies of Great Britain, or such of them as may be disposed to accede to this view, take immediate steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries."

The conference resumed the discussion of Hon. Mr. Suttor's motion :

"That, in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia."

After debate the motion was adopted without dissent ; Hon. Mr. Playford being excused from voting.

Hon. Mr. Thynne moved :

(1.) "That, in the opinion of this conference, it is very desirable that the construction and maintenance of the proposed cable from Vancouver to Australasia should be undertaken by the Governments of Great Britain, of the Dominion of Canada and of the Australasian Colonies, as a joint national and public work."

(2.) "That the cost of its construction and maintenance should be borne in the following proportions, namely, Great Britain one-third, the Dominion of Canada one-third, and the Australasian Colonies one-third."

A discussion having arisen thereon the resolutions were, with the consent of the conference, withdrawn.

On motion of Hon. Mr. Foster, seconded by Sir Henry Wrixon, it was unanimously

"*Resolved*, That the Imperial Government be respectfully requested to undertake, at the earliest possible moment, and to prosecute with all possible speed, a thorough survey of the proposed cable route between Canada and Australia; the expense to be borne in equal proportion by Great Britain, Canada and the Australasian Colonies.

On motion of Sir Charles Mills, seconded by Sir Henry DeVilliers, it was unanimously

"*Resolved*: That it is for the interest of the Empire that, in case of the construction of a cable between Canada and Australasia, such cable should be extended from Australasia to the Cape of Good Hope; and that, for that purpose, arrangements should be made between the Imperial and South African Governments for a survey of the latter route."

On motion of Hon. Mr. Fraser, seconded by Hon. Mr. Fitzgerald, it was unanimously

"*Resolved*: That in view of the desirability of having a choice of routes for a cable connection between Canada and Australasia, the Home Government be requested to take immediate steps to secure neutral landing ground on some one of the Hawaiian Islands, in order that the cable may remain permanently under British control."

Mr. Lee Smith moved, seconded by Hon. Mr. Foster:

(1.) "That, in the opinion of this conference, the most speedy and effective manner in which direct cable communication between Canada and Australia could be established, would be by inviting offers to carry out the work under conditions to be hereafter decided upon.

(2.) "That with a view to this end the Canadian Government be requested to solicit offers of plans, specifications and terms for alternative lines as indicated by the several proposals submitted to this conference.

(3.) "That any tenders received be submitted for the consideration of the several colonies interested, and that any expenses incurred be paid by the said colonies jointly, according to their population.

(4.) "That in the event of the proposals not being satisfactory the several governments take steps to carry out the undertaking as a national work."

A vote having been taken the resolutions were declared lost.

On motion of Mr. Lee Smith, seconded by Hon. Mr. Foster, it was unanimously

"*Resolved*: That if the words 'Australasian Colonies' be used in any motions or amendments that may be brought before this conference they shall mean the colonies of Australasia and the colony of New Zealand."

Conference adjourned at 6 o'clock, p.m.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 5th July, 1894.

The conference resumed at 10.30 o'clock a.m.

DELEGATES PRESENT :

The Imperial Government.—The Right Hon. the Earl of Jersey.

Canada.—Hon. Mackenzie Bowell, Hon. Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

Cape of Good Hope.—Hon. Sir Henry de Villiers, Sir Charles Mills.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

A communication was read from Sir John Robinson, Premier of Natal, expressing sympathy with the objects of the conference, and regret that it had been found impossible to send a delegate from Natal.

The following resolution was submitted by Hon. Mr. Fitzgerald, seconded by Hon. Mr. Thynne :

Resolved: That, in the opinion of this conference, immediate steps should be taken for the construction of a cable from Australia to Canada, as far as the colony of Fiji, to which place the survey is already completed, on a tripartite arrangement between Great Britain, Canada and the Australasian Colonies."

After discussion the resolution was withdrawn.

Pursuant to notice, it was moved by Hon. Mr. Foster, seconded by Sir Henry Wrixon that—

"Whereas: The stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare;

"And whereas: This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products;

"Therefore Resolved: That this conference records its belief in the advisability and practical possibility of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries."

"And further Resolved: That, pending the assent of the mother country to such an arrangement in which she shall be included, it is desirable that the colonies of Great Britain, or such of them as may be disposed to accede to this view, take immediate steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries."

(During the progress of the debate thereon, the Hon. Jan. Hendrick Hofmeyr presented his credentials and took his seat at the table of the conference.)

It was moved in amendment by Hon. Mr. Hofmeyr, seconded by Sir Henry de Villiers :

Colonial Conference.

1894.

"That this conference, in view of the resolution on commercial reciprocity unanimously adopted on the 30th of June, deems it desirable, for the present, to leave the practical initiation of reciprocal customs arrangements to separate agreements between the colonies and Great Britain, or any of them."

The discussion having continued, Hon. Mr. Foster obtained leave to withdraw his resolution, as first submitted, and substitute therefor the following:—

George E.

"Whereas: The stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare;

"And whereas: This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products;

"Therefore Resolved: That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries;"

Fraser.

"And further Resolved: That until the mother country can see her way to enter into such an arrangement, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries."

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Mr. Lee Smith gave notice that, at a future session, he would move:

"That this conference take into consideration the question of a mail service between Canada and the Australasian Colonies."

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Hon. Mr. Fitzgerald gave notice that, at a future session, he would move the following:

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"Resolved: That this conference is of opinion that a kindred conference should be held in Australia within the next five years, or earlier should necessity arise; as such meetings of British and Colonial delegates tend largely to cement the cordiality of imperial relationship, as well as to draw closer that commercial union which will be advantageous to the great and various interests of the Empire."

Sir Henry

Conference adjourned at 6 o'clock, p.m.

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OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 6th July, 1894.

The conference resumed at 10.30 o'clock a.m.

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DELEGATES PRESENT:

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The Imperial Government.—The Right Hon. the Earl of Jersey.

Canada.—Hon. Mackenzie Bowell, Hon. Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

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New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

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Cape of Good Hope.—Hon. Sir Henry DeVilliers, Sir Charles Mills, Hon. J. H. Hofmeyr.

South Australia.—Hon. Thomas Playford.

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New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

Conference resumed the discussion of Hon. Mr. Foster's motion, as last submitted, namely, that :

"Whereas : The stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare ;"

And whereas : "This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products ;"

"Therefore resolved : That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries ;"

"And further resolved : That, until the mother country can see her way to enter into such an arrangement, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries."

In the course of the debate Hon. Mr. Hofmeyr, with consent of the conference, withdrew his amendment submitted at the previous session :

"That this conference, in view of the resolution on Commercial Reciprocity unanimously adopted on the 30th of June, deems it desirable, for the present, to leave the practical initiation of reciprocal customs arrangements to separate agreements between the colonies and Great Britain, or any of them."

It was moved by Hon. Mr. Hofmeyr, seconded by Sir Charles Mills, and

"Resolved : That for the purposes of this resolution, the South African Customs Union be considered as part of the territory capable of being brought within the scope of the contemplated trade arrangements."

The debate having continued, it was suggested and agreed that in the submission of Hon. Mr. Foster's resolutions they should be voted upon *seriatim*.

The following was then moved by Hon. Mr. Foster, seconded by Sir Henry Wrixon :

"Resolved : That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries."

This resolution, having been submitted, was adopted on the following division :

Yeas :—Canada ; Tasmania ; Cape of Good Hope ; South Australia ; Victoria.—5.

Nays :—New South Wales . New Zealand ; Queensland.—3.

It was moved by Hon. Mr. Foster, seconded by Sir Henry Wrixon, and

"Resolved : That until the mother country can see her way to enter into a customs arrangement with her colonies, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries."

The preamble was then agreed to, and the resolutions, as finally amended, were submitted and adopted in the following terms :—

"Whereas : The stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare,

And whereas : This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products ;

"Therefore resolved : That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries ;"

Colonial Conference.

"*Further resolved*: That until the mother country can see her way to enter into a customs arrangement with her colonies, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries ;

"*And further resolved*: That for the purposes of this resolution the South African Customs Union be considered as part of the territory capable of being brought within the scope of the contemplated trade arrangements."

Referring to the votes upon the foregoing resolutions, and also to the vote upon the motion of Hon. Mr. Hofmeyr, subsequently incorporated in those resolutions, Sir Henry DeVilliers filed the following explanation of his position :—

"Sir Henry DeVilliers desires it to be noted that, as he has no authority from the "Orange Free State or other parties to the South African Customs Union, he does not "vote on the motions."

Mr. Lee Smith withdrew the notice of motion filed by him at the last preceding session, and submitted the following in lieu thereof :—

"*Resolved*: That this conference take into consideration the question of a mail service between Great Britain and Australasia, *via* Canada."

Conference adjourned at 1 o'clock, p.m.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 7th July, 1894.

The conference resumed at 10.30 o'clock a.m.

DELEGATES PRESENT :

The Imperial Government.—The Right Hon. the Earl of Jersey.

Canada.—Hon. Mackenzie Bowell, Hon. Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

Cape of Good Hope.—Hon. Sir Henry de Villiers, Sir Charles Mills, Hon. J. H. Hofmeyr.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

Mr. Lee Smith obtained leave to have entered upon the minutes a resolution submitted by him at the last preceding session, and which, although not seconded and therefore not considered by the conference, he desired to have recorded, as indicative of his views on the matter to which it refers.

The following is the motion so submitted :—

"That this conference proceed to take into consideration the Customs tariffs of the various colonies here represented, with a view to acquire such information as will enable the delegates to determine what reciprocities can be arranged, and thus be in a position to advise their respective governments accordingly."

Pursuant to notice, the following resolution was moved by Mr. Lee Smith and seconded by Hon. Mr. Foster :—

“*Resolved*: That this conference take into consideration the question of a mail service between Great Britain and Australasia, *via* Canada.”

A debate ensued thereon and the resolution was adopted. Sir Adolphe Caron gave notice that at the next Session he would introduce a motion to give effect to the resolution.

In pursuance of an invitation extended by the conference, Mr. James Huddart was introduced, and addressed the Delegates on the subject of the proposed swift steamship service between Great Britain and Australasia, *via* Canada.

Conference adjourned at 1 o'clock, p.m.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 9th July, 1894.

The conference resumed at 10.30 o'clock a.m.

DELEGATES PRESENT :

The Imperial Government.—The Right Hon. the Earl of Jersey.

Canada.—Hon. Mackenzie Bowell, Hon. Sir Adolphe Caron, Hon. George E. Foster, Mr. Sandford Fleming.

New South Wales.—Hon. F. B. Suttor.

Tasmania.—Hon. Nicholas Fitzgerald.

Cape of Good Hope.—Hon. Sir Henry de Villiers, Sir Charles Mills, Hon. J. H. Hofmeyr.

South Australia.—Hon. Thomas Playford.

New Zealand.—Mr. Alfred Lee Smith.

Victoria.—Sir Henry Wrixon, Hon. Nicholas Fitzgerald, Hon. Simon Fraser.

Queensland.—Hon. A. J. Thynne, Hon. William Forrest.

A communication was read from the Manager and Secretary of the Montreal Exposition Company, suggesting the advisability of an Intercolonial Exhibition.

The President brought to the attention of the conference a letter from the Secretary of the Decimal Association of London, addressed to the High Commissioner for Canada in London, urging that this conference should pass a resolution in favour of the adoption of the Metric System, throughout the British Empire.

In pursuance of an intimation given, at the last preceding session, it was.

Moved by Sir Adolphe Caron, seconded by Hon. F. B. Suttor :—

(1.) “That this conference expresses its cordial approval of the successful efforts put forth by Canada and New South Wales for the establishment of a regular monthly steamship service between Vancouver and Sydney, and affirms the advisability of the reasonable co-operation of all the colonies interested in securing the improvement and permanence of the same ;

(2.) “That the conference learns with interest of the steps now being taken by Canada to secure a first-class fast mail and passenger service, with all the modern appliances for the storage and carrying of perishable goods, across the Atlantic and Pacific to Great Britain, and the large subsidy which she has offered to procure its establishment ;”

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(3.) "That it regards such an uninterrupted through line of swift and superior communication between Australasia and Great Britain, as is above contemplated, as of paramount importance to the development of Intercolonial trade and communication, and to the unity and stability of the Empire, as a whole ;

(4.) "That as the Imperial Post Office contributes towards the cost of the mail service between England and Australia, *via* Brindisi or Naples, the sum of £95,000 per annum, while the sea postage amounts to only £3,000 ; and to the mail service between Vancouver and Japan and China £45,000, less £7,300 charged against the Admiralty ; this conference deems it but reasonable to respectfully ask that assistance be given by the Imperial Government to the proposed fast Atlantic and Pacific service ; more particularly as the British Post Office, whilst paying the large subsidy of £104,231 a year to the line from Liverpool to New York, has so far rendered no assistance in the maintenance of a direct postal line between Great Britain and Canada."

After discussion the resolution was adopted, without dissent.

It was moved by Hon. Mr. Thynne, seconded by Sir Henry Wrixon, and unanimously

"*Resolved* : That the Canadian Government be requested, after the rising of this conference, to make all necessary inquiries, and, generally, to take such steps as may be expedient, in order to ascertain the cost of the proposed Pacific cable, and promote the establishment of the undertaking in accordance with the views expressed in this conference."

It was moved by Sir Henry Wrixon, seconded by Hon. Mr. Fitzgerald, and unanimously

"*Resolved* : That this conference desires to call the continued attention of their respective governments to the proceedings of the Colonial Conference of 1887 in regard to the Bankruptcy and Winding up of Companies, with a view to completing the necessary legislation upon the questions therein raised."

Moved by Sir Henry Wrixon, seconded by Hon. Mr. Fitzgerald, and

"*Resolved* : That the chairman be requested to forward the resolutions and proceedings of this conference to the Right Honourable the Secretary of State for the Colonies, and to the Premiers of the Colonies represented ; and to take such steps as may be necessary for calling continued attention thereto."

Pursuant to notice, it was moved by Hon. Mr. Fitzgerald, seconded by Hon. Mr. Fraser :—

"That this conference is of opinion that a kindred conference should be held in Australia within the next five years, or earlier should necessity arise ; as such meetings of British and Colonial delegates tend largely to cement the cordiality of imperial relationship, as well as to draw closer that commercial union which will be advantageous to the great and various interests of the Empire."

A discussion having ensued, the motion was, by consent, withdrawn.

On motion of Hon. Mr. Foster, seconded by Hon. Mr. Suttor, the unanimous thanks of the conference was conveyed to the Right Honourable The Earl of Jersey for his attendance, and for the valuable advice and assistance which His Lordship had been good enough to give, during the conference.

On motion of Lord Jersey, seconded by Sir Henry de Villiers, the thanks of the conference were tendered to the President for the able manner in which he had discharged the duties pertaining to his position.

On motion of Hon. Mr. Thynne, seconded by Mr. Lee Smith, a resolution of thanks was tendered to Messrs. Stewart and Payne, for their courtesy and attention, and for the efficient discharge of their duties as Secretaries of the conference.

DOUGLAS STEWART,

J. LAMBERT PAYNE,

Joint Secretaries.

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THE COLONIAL CONFERENCE

THE OPENING CEREMONIES IN THE SENATE CHAMBER AT OTTAWA, CANADA.

SENATE CHAMBER,
OTTAWA, 28th June, 1894.

Pursuant to an invitation extended by the Government of Canada, and contained in an Order in Council of that Government dated 5th of February, 1894 (*vide* Appendix A), the following delegates presented themselves for conference, namely:—

The Right Honourable the Earl of Jersey, P.C., G.C.M.G., representing the Government of Her Majesty;

The Honourable Mackenzie Bowell, P.C., Minister of Trade and Commerce; the Honourable Sir Adolphe P. Caron, P.C., K.C.M.G., Postmaster General; the Honourable George Eulas Foster, P.C., LL.D., Minister of Finance; and Sandford Fleming, Esq., C.M.G., representing the Government of the Dominion of Canada;

The Honourable F. B. Suttor, M.L.A., Minister of Public Instruction, representing the Government of New South Wales;

The Honourable Nicholas Fitzgerald, M.L.C., representing the Government of Tasmania;

The Honourable Sir Henry de Villiers, K.C.M.G., and Sir Charles Mills, K.C.M.G., C.B., representing the Government of the Cape of Good Hope;

The Honourable Thomas Playford, Agent General, representing the Government of South Australia;

A. Lee Smith, Esq., representing the Government of New Zealand;

Sir Henry Wrixon, K.C.M.G., Q.C., Honourable Nicholas Fitzgerald, M.L.C., and Honourable Simon Fraser, M.L.C., representing the Government of Victoria;

Honourable A. J. Thynne, M.L.C., member of the Executive Council, and Honourable William Forrest, representing the Government of Queensland;

Mr. Theo. H. Davies, representing the Chamber of Commerce of Honolulu, Hawaii.

The proceedings of the day were open to the public and were presided over by His Excellency the Right Honourable Earl of ABERDEEN, Governor General of Canada, who delivered an address of welcome, as follows:—

LORD ABERDEEN.—The most cordial expressions to which utterance can be given will be needed in order adequately to convey the heartiness of the greetings which I desire to offer to you, gentlemen, on your arrival on this most interesting and memorable occasion. For your own sake, for the sake of the countries which you represent, for the sake of the Empire which those countries compose, for the sake of the work which has brought you here, I say welcome to Canada, welcome to Ottawa. (Cheers.) And although this is the earliest opportunity for offering to you officially and collectively these assurances, I venture to hope that ere now, since your arrival on Canadian soil, you have observed indications of the fact that in endeavouring thus to bid you a most cordial wel-

come, I am only voicing or endeavouring to voice, the sentiments and the purpose of the Canadian Government and the Canadian people. (Loud cheers.) I trust, therefore, that you will have reason to form the opinion that there will be no cause to regret at Canada, and Canada's official capital, have been selected for the place for holding the meetings of this Conference. That such should have been the arrangement is certainly both natural and appropriate, not merely because of the fact that the idea and suggestion of holding this Conference emanated from here, but also because of the position, geographical and otherwise, which Canada occupies in the British Empire; and not only so, but because of the use which has been made by the people of Canada of that position, in developing the resources of Canada itself, and in carrying out enterprises of vast and gigantic character, which cannot fail to be of the deepest and most permanent interest and importance to the Empire as a whole. (Cheers.)

This occasion, gentlemen, is in no small degree unique. There have been conferences similar in some respects to that which we are now about to inaugurate, but these we may say, have been rather precursors than precedents, because of the distinctive characteristics which I make bold to say will characterize your proceedings and the result of those proceedings. The objects of your meeting are sufficiently well defined. I say "sufficiently," because if, on the one hand, there had been an attempt to lay down with rigid precision a programme which it might be proposed that you should follow, it might have had a hampering effect in your discussions and conclusions. If, on the other hand, too wide a margin had been left, there might have been an inevitable tendency to diffuseness of discussion, and a want of practical result; but, as I say, the objects before you, the development and increase of trade within the Empire, and the means which may be taken to carry out such an extension, undoubtedly furnish a topic which cannot fail to produce the most significant and valuable discussions and recommendations in the direction which we all desire to pursue. (Cheers.)

I think also that the coming together of representative men from all parts of the Empire to discuss such matters, is in itself of no small value, and I apprehend that to this among other features of the conference we may attribute the steadily increasing recognition of the importance of this occasion, which we have observed in process during the past few months. And, gentlemen, when we speak of the value of meeting in conference to exchange ideas and to formulate views, those who have had any opportunities of travel, cannot fail in an especial manner to realize the advantage of such opportunities of contact with those in the case of whom such an opportunity must be of value. If, for example, one has had the opportunity, as regards Australasia, of visiting the splendid harbour of St. George, of inhaling the healthy breezes of Adelaide, of traversing the spacious and busy thoroughfares of Melbourne, of exploring the mines of Ballarat, of admiring the exquisite surroundings and the noble harbour of Sydney, of resting in the delightful island of Tasmania, or of contemplating the wonderful scenery and resources of New Zealand, it is not only the externally imposing and interesting features that bring value to such an experience, but it is the opportunities afforded on such occasions for meeting the leading men of these countries and of learning their views in regard to the affairs of their colonies, and of the Empire as a whole. This is the special value of such meetings, and, therefore, though we cannot all at once have the opportunities of seeing for ourselves what the Empire means, we can at least seize the occasion of meeting those who come from all parts of its world-wide territories, and who

can by their own valuable experience, their own ability, convey to those who wish to learn what is really involved in the expression—the interests of the British Empire. (Cheers.)

Again, when we speak of travelling, I must not forbear alluding to the fact that probably no small part of the success which we may already say has attended the preparations at least for this conference is due to the fact that a highly esteemed Canadian statesman, the Hon. Mackenzie Bowell, has travelled through a large part of Australia, accompanied by Mr. Sandford Fleming, and was thus able personally to come in contact with leading men of the Australian Colonies and others, and to shape views and ideas regarding the advisability of holding a conference and the results which would accrue from such a gathering.

There are just two other points to which I wish to refer as illustrating the representative, and, therefore, the far-reaching character of this gathering. We note the presence here of distinguished members from a colony, one geographical feature of which is so notable in history and in contemporary affairs, that among the innumerable headlands of the world one alone can claim the distinctive designation of "The Cape." We rejoice to see the representatives of Cape Colony, because in that, as in other ways, we observe how comprehensive is this gathering. (Cheers.)

The Imperial Government, the central government of Her Majesty the Queen, have shown their sense of the value of this occasion by intrusting their representation to a statesman whom I claim as a personal friend of my own, and whom all the more I rejoice to see here to-day, the Earl of Jersey. (Cheers.) The Earl of Jersey combines the experience of a British statesman with that of a colonial administrator, and a successful administrator. (Loud cheers.) And, therefore, it is clear that they attach importance to the nature of the proceedings here and are determined to recognize it. It may have been expected by some that the British representative was to come here in a different capacity from the other delegates. In one sense that may be so; but we cannot help observing that the fact of a representative of the British Government coming here to listen, to observe, to report, and as far as he may find occasion to do so, to take part in the discussions, most significant, and cannot fail to bear fruit. (Cheers.)

In concluding these general observations, such only being suitable for this stage of the proceedings, may I be permitted to express the earnest hope that from the one ever effectual source of wisdom and justice, your deliberations may be fraught with benefit to the British Empire and to the world at large. (Loud cheers.)

LORD ABERDEEN.—I shall now ask Sir John Thompson, Premier of the Dominion, to address you.

SIR JOHN THOMPSON.—After the address which Your Excellency has made, little remains for me but to express, in a few words, the heartiest of welcomes to the delegates assembled, on behalf of the Canadian Government, the Canadian Parliament and the people of this Dominion. (Applause.) Your Excellency, I can assure the delegates who are assembled, that the Canadian people, filled with zeal for the greatness and development of their own country, and for the strengthening of the Empire, are delighted to see the kindlings of the same ambition in the sister colonies throughout the world. (Applause.) While entertaining these opinions, the people of Canada rejoice that the business for which the delegates are assembled on this occasion is not necessarily connected with our relations with foreign countries—not necessarily con-

needed with considerations of peace or war—but is immediately concerned in all those questions which relate to the increase of commerce, the cultivation of the arts of peace and the promotion of civilization and prosperity generally throughout the colonies of the Empire. We realize fully that the questions which you shall have to deliberate upon are questions requiring the greatest care and the closest examination of details. When we are to consider questions relating to the promotion of trade between the different colonies, trade with the mother country, the facilities of communication throughout the different portions of the Empire, we realize that while there is ample field for patriotism and loyalty, methods of business have to be followed. Matters connected with trade, with tariffs, with steamboats, and with telegraphs, will require the most practical as well as the most patriotic deliberations of the gentlemen who are assembled to-day. That they may be guided to useful conclusions with regard to all these matters is the great ambition to-day of every portion of the Canadian people among whom they are assembled. The great object of our hope is that as a result of the deliberations of the conference, the ocean which divides the colonies shall become the highway for their people and their products. (Applause.) Your Excellency has recalled some conferences between colonies which have preceded this, although hardly furnishing examples for it. We cannot but recall, on this occasion, that conferences have taken place between colonies, at which they deliberated, after years of great development and progress, whether the relations which bound them within the Empire were not too restrictive for their future progress, and whether the time had not come when a separation should take place from the mother land. On this happy occasion these delegates assemble after long years of self-government in their countries, of greater progress and development than the colonies of any Empire have ever seen in the past, not to consider the prospects of separation from the mother country but to plight our faith anew to each other as brethren and to plight anew, with the mother land, that faith that has never yet been broken or tarnished. (Loud applause.) Under these circumstances, your Excellency, I beg to express, as your Excellency has done on our behalf, a cordial welcome to the delegates who are assembled, and the hearty aspirations of the people of Canada that their deliberations may result in wise and practical conclusions, which shall have the effect of binding the colonies together in greater strength, and of making the people of the mother land feel that the Empire is becoming greater and stronger, with the growth and development of the British colonies throughout the world. If such a result shall have been reached, it will indeed be a happy conclusion to a most auspicious gathering; and may I express another sentiment: that the happy circumstances which have called this conference together will be but the prelude of occasions on which we shall not only meet in Canada the statesmen of the other colonies, but on which we shall be able to meet, with greater facilities than we now possess, the people whom they represent. (Loud applause.)

Lord ABERDEEN.—Permit me now to call upon the Earl of Jersey, representing the Imperial Government.

The Earl of JERSEY.—Your Excellency, Sir John Thompson, and gentlemen. The first words which spring to my lips on this bright occasion are those of thanks and congratulation—thanks for the welcome which you have accorded to the representative of Great Britain, congratulation on the prospect which lies before Greater Britain. The historian loves to mark epochs in a country's history by well defined events; unfortunately those events have too often been of a hostile or aggressive character. We

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believe that we are on the threshold of an epoch whose chief characteristic will be the discussion of peace-tending principles, and not the clash of discordant or hostile elements; for, whatever may be the immediate result of this conference, we know that we are taking a great step forward, and we hope it is towards a brighter future. The student indeed may wonder and say that there has been no precedent for a meeting of this character. We know that there has been no precedent in past history, but we make the precedent with a full knowledge of what it means, and in the full belief that it will be of an auspicious character. Some seven years have elapsed since the first Colonial Conference was held in London, and at the close of that conference the Secretary of State expressed the hope that it would not be the last, and now the present Secretary of State hastens to show that he is in full sympathy with the movement. (Hear, hear.) It is unfortunate in one sense that the representation of Great Britain should have fallen upon an unworthy person, but you may be sure that there is no one in this assembly who is more actuated by the feeling which has brought us together than the person who is now addressing you. (Applause.) During that last conference many questions of importance were mooted and discussed, but were not brought to any determination or solution; but during those seven years these questions have not been allowed to sleep by those who have been deeply interested in them. My friend Sir Charles Tupper, in London, has always shown himself ready to meet any opponent and to point out his weak points whenever he thought he could advance the interests of Canada (Applause) looking upon Canada as part of this great Empire and not in any selfish spirit. Then we know also that Mr. Sandford Fleming has never hesitated (Applause) to press his views with a considerable amount of success. And I cannot pass by the visit, to which His Excellency has referred, of the Hon. Mackenzie Bowell to Australia. He undertook a great pilgrimage and he has had the satisfaction of making many converts. In fact, any one who will read his valuable and interesting report will soon see how he has stirred men's minds upon this point, and how gradually those minds are ripening to a solution. I should like also to express thanks to Sir John Thompson (Applause) for having had the boldness and the fore-sight to call this conference together in order to bring these subjects within the range of practical consideration. We who are the representatives of various parts of a world-wide Empire may well feel proud of the privilege which has been intrusted to us—for there can be no greater privilege intrusted to any body of men than to try and bring various countries, various colonies, together for the purpose of increasing the happiness and prosperity of all. (Hear, hear.) But this would not be the time or the occasion on which to make a forecast of our work. Suffice it to say that the spirit which inspires me—and I doubt not inspires all my colleagues—is one of absolute sympathy with the far seeing policy which has called us together; and could there be any more fitting place for such a representative meeting to be called than in the grand Dominion of Canada? His Excellency has well pointed out her splendid position in this question. It is with wonder that I think what Canada has done to bring the northern and southern parts of the Empire together. She has linked the two great oceans, after an exhibition of courage and constancy and skill which has never been surpassed in the history of the world. (Applause.) She has made her country the half-way house of the Empire, where the kindness and hospitality shown to us make us feel quite at home. If I want to look for a harbinger of success, I see one before me. The good wishes and the smiles of fairest Canada I feel are upon us (Loud applause), and we take the earliest opportunity of offering to them our homage of respectful admiration. (Applause.) If

we can only more fully deserve their good wishes and smiles at the close of our work, we shall feel that we have been working for imperial harmony and prosperity, not in vain. I deem it also, your Excellency, a very happy coincidence, that it should be my good fortune to be here under your kindly and sincere roof, and I feel sure that there can be no greater pledge of the kindness and sincerity with which the mother country regards this great portion of her Empire, outside her own immediate waters, than the fact that you, sir, should be sitting in that chair. (Applause.) It is the desire of Great Britain and the colonies to give a clear and full consideration to all important subjects which may come before them; and as affecting this policy that will be the surest pledge for the continuing happiness and prosperity of every portion of the great Empire which gives us shelter and encouragement. Sir John Thompson, in the name of the country which I represent, the mother country, I take up the pledge of faith which you have so ably and eloquently tendered, in the full belief that the result of this conference will be the strengthening of those bonds of affection and of interest which should always bind each part of the Empire together. (Applause.) I will only now thank you for your welcome and for the earnest, which it gives us, of happy days which are before us in Ottawa. (Applause.)

LORD ABERDEEN.—I shall now call upon the Hon. Nicholas Fitzgerald, the representative of the Colony of Tasmania.

HON. NICHOLAS FITZGERALD.—Your Excellency, Sir John Thompson and gentlemen: On behalf of Tasmania, the smallest of the Australian colonies, but not an unimportant one, nor the least progressive, certainly the most picturesque, never jealous of the progress and prosperity of her sisters, and one always foremost in the desire of further union between the group for the good of the whole. (Applause.) As the representative of that colony, I beg to express my warm thanks for the kind words of welcome which have been offered, and join in the fervent hope that has been expressed that beneficial results will flow from this conference. It is an augury of good that our first meeting should be held on this auspicious day, the anniversary of Her Majesty's coronation. (Applause.) We are all united and constant in our devotion to Her Majesty's throne and person. We respect the Queen not only as our beloved sovereign, but as one who takes not a small part in guiding the destinies of the great Empire over which she rules, and as one who feels a kindly sympathy in all movements for the advancement of every portion of Her Majesty's Empire. We believe that the Queen regards with pride the expansion of that Empire, and watches with interest every action calculated to advance that mission which we proudly say belongs to the British race, namely, to extend to the farthest corner of the earth the blessings of commerce, and the blessings of civilization. (Applause.) When Mr. Mackenzie Bowell, a distinguished statesman of this country, recently did Australia the honour of paying it a visit, he prepared us to receive whenever we came here not only a welcome, but a hearty one, and I may say, knowing the feelings of my brother delegates, that words are too feeble to convey our high appreciation of the hearty, indeed of the noble, reception which this grand Dominion has given the colonial representatives. (Applause.) We were glad to receive the invitation which the Government of Canada honoured us with to this conference. We accepted it with alacrity; we felt we would be coming among blood relations; we knew we should meet a people proud of their progress as we in Australia are; we knew that they as well as we enjoy the blessings of self-government, all having proved their capacity to wisely use them. We knew that we should come

among you bound by an equal feeling of loyalty, showing in common the historic fame of the country we sprang from, and proud of the achievements of our race. A meeting of the imperial and colonial representative men was inaugurated a few years ago, and fitly so, in the capital city of the Empire. That conference marked an epoch which truly may be termed historic, a happy departure from old colonial traditions, pregnant with blessings and advantage to the centre as well as to the utmost limits of the Empire. A hope was then expressed that the policy inaugurated there would be a continuous one. To-day we celebrate that fact, the great fact, of a continuity in colonial policy, no less I think, necessary for the future safety and prosperity of the Empire than continuity in its foreign policy. Where could the second of these national conferences more fitly be held than in this grand and prosperous dominion—the Dominion of Canada—the bright example to the other colonies, the precursor of their self-government of every degree, the first of them to enjoy the great blessings of federation? (Applause.) But another reason, an important one historically, is, that here was the great battle, the great issue between the mother country and her colonies first raised, and to the pride of Canada carried to a successful issue. To-day we congratulate the Imperial Government on this fresh instance of departure from the policy of those days, and on the doom of the old relations that existed between the colonies and the mother country having been rung for ever. We are now engaged at this conference, hoping to prove the great advantages that will flow from sending representatives of the mother country to confer with representatives of the great dependencies of the Empire, to exchange ideas and to consult as to the wants and the necessities of the colonies, illustrating the unity of the Empire to which we are proud to belong. (Applause.) Then, your Excellency, we are assembled under happy auspices. We are here from Australasia to endeavour to work with our Canadian and other colleagues for our mutual benefit, feeling assured that everything which enhances the progress and the prosperity of the colonies must add to the wealth and the power of England. We are assembled to endeavour to bridge over the great stretch of ocean that divides the colonies in the south from Canada. We are here to endeavour by mutual concessions and arrangements, and it may be sacrifices, to lessen space and, as it were, to annihilate time. We are here to endeavour to arrange for the exchange of products to the advantage of all, and by telegraphic communication to draw closer a union and to cement in every way we can an intercourse of trade and friendship, which happily has not begun to-day, which will we trust in future time expand and extend until the Pacific has become the highway of commerce between Canada and the southern colonies, as the Atlantic is now between Canada and the mother country. (Applause.) I again say we happily begin this conference; we could not do so under the presidency of one who commands our respect more than your Excellency. We could not have here as the representative of the mother country one who commands the confidence of Australasia more than the Earl of Jersey, one who has during his period of office as Her Majesty's representative in one of the largest and the oldest of our colonies always evinced a great knowledge of the wants of the colonies and a sincere and hearty sympathy with their aims and aspirations. (Appl. use.) Joy was expressed throughout Australasia when it was known that Lord Jersey would be the representative of England. It was felt that the Imperial Government would be very ably represented, and that as far as his instructions could permit, Lord Jersey would endeavour that not only good but that the highest measure of good would follow from our deliber-

ations. Then, your Excellency, I say that we have commenced our proceedings under auspices that could scarcely be more favourable; and I fervently unite in the words which your Excellency used, viz., that the blessing of divine Providence may be with us, and that good results may flow from our meeting, and that this the second national conference may be followed by others when required also diffusive of advantage to the colonies as to our dear and great mother country. (Loud applause.)

Lord ABERDEEN.—I shall next call upon Hon. Francis B. Suttor, representing the colony of New South Wales.

Hon. F. B. SUTTOR.—Your Excellency, Sir John Thompson, and gentlemen: I trust I am able to appreciate the high honour conferred upon me to-day by being permitted to speak so early on behalf of the oldest of the Australian colonies. You, sir, have said that this is a momentous occasion, and we do think that the important work we have before us will require the most earnest consideration at the hands of representatives of the different colonies; but if it is an auspicious occasion in connection with the duties we have to perform, surely this opening will be memorable to us, not only have we here above us, as Lord Jersey most gallantly said, fairest Canada, but the Government and the Parliament have been good enough to honour us by setting apart this day to welcome us to the capital of the Dominion, and are supporting us by their presence in this Senate chamber; and you, my lord, as Her Majesty's representative, have honoured us by presiding over this the inaugural meeting of the conference. That being so, I am sure we all feel that we cannot express too highly our gratitude for the kindly words of welcome so ably spoken by your Excellency and the premier. Those of us who entered the Dominion of Canada by the western gate at Vancouver, have experienced such unexpected and continuous kindness and attention under exceptional circumstances that our journey eastward has been one of unalloyed pleasure and gratification. We were welcomed at Victoria, at Vancouver, and in that wonderful new city of Winnipeg, and you, my lord, as the head of the Dominion, by welcoming us here are adding to the great obligation we feel ourselves under to the people of Canada. We could not have been received with greater distinction than we have been; and it is a source of great gratification that you have condescended to fill the chair on this occasion. I trust, whatever the result of our deliberations may be, they will at least have the affect of strengthening more completely the bond of union that exists between the self-governing colonies and the parent state. (Applause.) Perhaps I might express the hope that by its position and the action it has taken in relation to the present conference, this Dominion of Canada may be the central swivel in that chain bringing us together in common interests which will prevent any knotting or friction, and prove a source of encouragement to all the great colonies of England to work harmoniously together. (Applause.) I come here to-day as a member of the Government of New South Wales. I am here to-day charged by my government to listen attentively, and to give the most favourable consideration to all proposals that are submitted to us in conference, and I feel persuaded that the determinations the conference may arrive at on the various subjects submitted to us will be such as to meet the approval of the government and the parliament of the country I represent. (Applause.) It will not be considered presumptuous on my part if I make some allusion to the right hon. gentleman who represents England at this conference. I claim to have some right to do so because it is only a short time since he left New South Wales, and I feel inclined to still call Lord Jersey "His Excellency." During the greater portion of the time that Lord Jersey occupied

the official position he did in New South Wales I had the honour of sitting at the executive table with him, and as I consequently possess some personal knowledge of him, I have no hesitation in saying that there could not in the British dominions be chosen a man who takes more interest in, and has a better knowledge of, colonial matters. It is needless, therefore, for me to say that we know the Imperial Government will be ably and well represented at this conference by the right honourable gentleman. Sir, it is difficult at this early stage to forecast the results of our deliberations. Possibly—though I do not anticipate so—there may be no immediate issues from our deliberations, but whether the results be immediate or not, the meeting of such a large body of distinguished men from the self-governing colonies of Great Britain, must prove beneficial to all. (Hear, hear.) This occasion, as I have said, will be ever memorable in the minds of all who have been permitted to attend this Conference and take part in the discussions day by day, and whether practical results follow or not, I am convinced that we shall, at the conclusion of our sittings, part, feeling that we have a larger knowledge of each other and a greater pride in belonging to that great Empire from which we all sprang and to which we all belong. (Loud applause.)

LORD ABERDEEN.—Permit me to next introduce to you, Hon. Sir Henry de Villiers as the representative of the Cape of Good Hope.

SIR HENRY DE VILLIERS—Your Excellency, on behalf of the delegates from the Cape of Good Hope, I beg to tender you our most hearty thanks for the cordial words of welcome which you have spoken. On their behalf, also, I have to thank the Canadian commissioners for the consideration we have received from the time we set foot on Canadian soil. The hospitality of the Canadians is proverbial; and it has already been so expatiated upon by those speakers who have preceded me that I need do no more than heartily thank the commissioners on behalf of the people of the Cape of Good Hope. Our only regret is that neither Mr. Rhodes nor any of his ministry has been able to join us. Owing to the sitting of parliament at this time it was impossible for the Cape Premier to be here; but I know that he and all his ministers entertain the earnest hope that this conference may prove a complete success. (Applause.) And they have commissioned me to express their wishes that the deliberations of this conference may result in measures beneficial alike to the British Empire in general and to our colony in particular. The subjects upon the programme, my lord, are not such as we of the Cape of Good Hope are very directly concerned in; our Australian colleagues are much more interested in most of them; so that, in a measure we shall be in the happy position of being listeners rather than active participators in the deliberations of the conference. Here in this country you have solved problems which with us are still unsolved. You have solved the great question of confederation, and you have known how to reconcile local autonomy with a central administration of affairs of general concern. There is one experience which is common to both, and that is that we have two nationalities, the Dutch and the English, just as you have two nationalities, the English and the French, which it is the part of wise statesmanship to fuse into one. And there is another point of agreement between the Cape of Good Hope and the Dominion of Canada; and that is whatever nationality we belong to, we are all united in the most perfect and sincere loyalty to the good and great Queen who for so many years has ruled over her vast Empire, (applause). of which the colonies represented at this conference form a part. But although the subjects to be discussed are not such as the Cape of Good Hope has any immediate interest in, yet we are not without hope that in

the result the Cape may derive its full share of benefits from the conference. Among the subjects to be discussed, for instance, is the question of the cable from Vancouver to the Australian Colonies. Our hope is that the laying of the proposed cable may result in the laying of another cable from the Australian Colonies to the Cape of Good Hope. Such a cable would be useful not only for the defence of the Empire, but it would also have the practical effect of reducing the exorbitant charges which are at present charged for telegrams from the Cape of Good Hope to Great Britain. In regard to commerce, although there is at present little trade between Northern America and Southern Africa, there is no reason why such a state of things should long continue. We may firmly hope that one of the results of the conference will be to remove any fetters that may at present exist on the freedom of intercolonial fiscal arrangements for our common benefit. We may be able to offer products to Canada which Canada cannot raise herself, and we in our turn may be glad to receive products which the Cape of Good Hope is not able to raise for itself. A few years ago it would have been considered an impossibility for the different colonies to send representative men to meet as we do to-day. With the increasing facilities of travel by railroad as well as steamship, it has been found possible for us to cross the Atlantic and the Pacific from all parts of the world in an incredibly short space of time; and nothing has assisted more towards that result than the construction of the great Canadian Pacific railway across this continent. But, my lord, if I may venture to forecast events, I would say that this conference will not be more memorable for its immediate practical results than for the great precedent in political action which has been established. It is the first occasion upon which representatives from every part of the British Empire have met together, not in London but in one of the colonies, and have been joined by a representative from Great Britain to discuss questions of interest common to them all. To-day the question is the comparatively humble one of the commercial interests of the different portions of the Empire. At another conference the question may be the defence of the Empire, and yet at another the question may be the federation of the different portions of the Empire. (Applause.) A great responsibility therefore rests upon the delegates here assembled to conduct our proceedings in so practical and sensible a manner that the Ottawa conference may hereafter be regarded as an example to be followed and not as a danger to be avoided. (Loud applause.)

LORD ABERDEEN.—I will ask the Hon. Thomas Playford, representative of South Australia, to now address you.

HON. THOMAS PLAYFORD.—Your Excellency, Sir John Thompson, and gentlemen: In the first place allow me to express my pleasure at representing the not very small colony of South Australia; it is not one of the largest of the Australian group, although it may be on the present occasion represented by the largest specimen of humanity in the room. (Laughter.) I have listened, I can assure your Excellency, with a considerable amount of pleasure to the addresses which preceded mine, your kind and considerate words of welcome, the able address of Sir John Thompson which was exceedingly pleasing to me; and that most eloquent speech of all by Mr. Fitzgerald, who represents the smallest colony of the South Australian group, but is the most eloquent of the Australian delegates. (Applause.) I will not repeat what he said upon the present occasion. I wish to say in the first place that I noted that you made the remark that this was not the first conference, although none had been held with exactly the same objects we have in view to-day. Your statement was in every sense of the word accurate.

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The Imperial Conference, I take it, was about the first of the series of which this may be called the second ; but the Imperial Conference met for a different purpose than the one we meet for. The primary object of the Imperial Conference was for the purpose of establishing some means of defence to the Empire as a whole ; that was its primary object. This conference is for the purpose of establishing trade relations with various parts of the Empire. (Hear, hear.) As was stated, that conference also was held for the purpose of drawing closer the bonds of union between the colonies and the mother land. This conference is held for drawing if possible closer bonds of union by means of trade relationship with the various colonies of the Empire as well as with the mother country. (Hear, hear.) Now, as far as Australia is concerned, from the day in which Her Majesty was crowned until the present day we may date the great material progress of the Australian Colonies. Some of them were barely in existence before that date. Now, we have, in that short space of time built up a nation out of what was practically a wilderness. I do not intend to go into statistics ; they generally weary an audience, but perhaps I may be allowed to quote one or two. Your worthy representative to the colonies, the Hon. Mackenzie Bowell, has issued a pamphlet in which he has given you the result of his labour in the Australian Colonies ; and he says—and it will give you some good idea at all events of the importance of the trade of Australasia—that the foreign trade of Australasia, (striking out all the intercolonial trade) amounted to over £40,000,000 a year. Now £40,000,000 if it is put into dollars looks a considerable larger sum than £40,000,000 as you know. However, it is a big trade of exported produce which we ourselves did not require for our own consumption. We have in addition an import trade of over £30,000,000. Now, when we come to an important part of Her Majesty's dominions, like Canada, and make the inquiry what is the volume of trade that exists at the present time between Canada on the one hand and Australia on the other, we find it dwindles down to about £100,000 of produce we take from you, and you take from us, we believe, (not directly—a great deal comes through the United States) about £150,000 of our £40,000,000. Now comes the question which this conference is going to try and solve, or at any rate to put on the way of solution if we cannot solve it ; that is, cannot the trade between these two portions of Her Majesty's dominions be greatly increased ? Cannot you take a little more of our £40,000,000, and cannot we take something from you in exchange, to our mutual advantage ? Of course there is no sentiment in trade relations ; it is a matter of pure pounds, shillings and pence ; and if it will not suit us to send our produce to you, if you will not give us what we can get for it elsewhere, we will not send it, and you will not send to us if we do not pay as much as you can get elsewhere. (Laughter and applause.) You will not send to us if you can not obtain some advantage, some benefit, by so doing. I have been looking at the matter from a practical standpoint ; and I have had the advantage over most of my colleagues of having arrived here a week ago ; and I have taken my walks round this beautiful city of Ottawa, in which I see new beauty every day in doing so. I have visited some of your manufactories. Among others, I went into Mr. Eddy's manufactory, and I saw the whole process of making paper from wood, and I saw the immense piles of magnificent paper being made, and all the processes connected therewith and I said : " Well, in Australia we import nearly if not the whole of our paper ; surely Canada with her magnificent water power, the machinery being driven so cheaply by the water power, with her ability to supply us with any amount of paper, ought to be able to build up a trade in

paper." I went further through that factory; I will not describe everything I saw. I saw them making matches, and I said to myself: "Surely the good people of Canada might as well supply the people in Australia with matches instead of the Swedes who largely supply us now." They are the principal source from which we gain our supplies at the present day. I have no doubt that when we look round among your factories and the various products of your land that we shall be able to find plenty of things which you produce which we do not and which we want; and you will be able to find among us a number of products which we produce and you do not and which you want, and we may be able to build up a large and magnificent trade eventually. (Applause.) That, I understand, is your object. I do not intend to take up your time much longer. There are a number of other speakers, but I wish to mention one point in which I have to express a little sorrow. Lord Jersey will recollect that when he was Governor of New South Wales we held a conference in that magnificent city, with its most magnificent harbour. We held a conference there for the purpose of coming to some understanding as to the basis of a federal union between the colonies. We passed a bill; we very properly referred to all the historical precedents of the countries which had federated in the past, and you being the last of the number who had federated, we studied with a considerable amount of interest your constitution. We framed a bill for the purpose of being submitted to the various legislatures for the federal union of the Australian Colonies; and all that I am sorry for to-day, so far as Australia is concerned, is that before this she has not been federated, and that she is not here represented by her delegates who speak for the whole of Australia instead of for people from different parts of it. (Applause.) You may help us to realize that, because you must see what an immense advantage it must be to a country to have one government and to have that government enabled to speak for the whole of a continent, as we could do if we were united, instead of having a number of separate governments, with separate and diverse interests, frequently clashing one with another, and the country is not able to speak in the councils of the world with that one voice in which it should speak, and with which, fortunately, you are able to speak. (Applause.) On this great question, perhaps I may be allowed to say one word, and that is this: you may materially help us, and I believe you will materially help us from the fact that from all inquiries I have been able to make, you are eminently satisfied with the position that you occupy to-day. (Applause.) You are eminently satisfied with the advantages that you have gained under your federation; and we shall be able, I believe, to go back to our native land, Australia, and advance the cause of federation there, from the fact that we will be in a position to inform our people that you, after having tried it for a number of years, have no desire to go back again into your old disunited state, but that you are eminently satisfied with the position you now occupy. Gentlemen, I thank you for the patient hearing you have given me. I trust our deliberations will result in good fruit; and although I, along with Sir Henry de Villiers, may think that we may not be able to bring forth fruit immediately, I am quite sure we will sow seeds which will eventually spring up and produce the results which we so much desire. (Applause.)

LORD ABERDEEN.—You will now have the pleasure of hearing from New Zealand, through Mr. Lee Smith, the representative of that colony.

MR. LEE SMITH.—Your Excellency, Sir John Thompson, my lord and gentlemen: I beg to tender you my thanks for the kind reception which you have given to me as a representative—I will not say of the largest or smallest of the colonies of Australasia,

but I will say the most fertile—that is New Zealand. I can assure Your Excellency that my government have looked forward to this conference with much interest, and they hope and expect that the results will be beneficial, not only to that country but also to the whole of Australasia and the Empire at large. Sir, in expressing my thanks to you for the welcome you have given me, I would like also to tender my thanks to the people of Canada for the similar kindness they have shown to me and the other delegates of Australasia since we arrived on these shores. From the time we left Vancouver to the present moment, I may say, we have had one continuous welcome; we have been treated in a most liberal manner; we have been made most comfortable by that great institution of yours, the Canadian Pacific Railway, and our journey throughout has been one long and continuous enjoyment—a pic-nic on wheels. (Applause.) I may say also, for the other bodies besides the Canadian Pacific Railway, that, at Winnipeg, Vancouver, and elsewhere, they have received us in the most generous manner, and I am quite satisfied that when I report to my people in New Zealand they will be highly pleased with the manner their representative has been received in this colony. I think this gathering will be unique in colonial annals. I believe it is unique in two senses: First of all it is a conference for the discussion of entirely commercial matters, and secondly it is unique in the fact that the Imperial Government is directly represented. We have a representative sent here of Her Majesty, and I can confidently endorse what has been said by Mr. Fitzgerald, that no more acceptable representative could be sent here than Earl Jersey. I have not had the opportunity of meeting him before, but being a near neighbour to New South Wales, and reading, as I have read, about his career there, I may say it will give as much pleasure to New Zealand as it has given to the people of New South Wales, that Lord Jersey has been chosen by Her Majesty's Government to represent them in the conference which we are now holding. Sir, my government have looked upon this conference entirely as a commercial one. I cannot claim, as many of my brother delegates can, any political position. My government have chosen me as a purely commercial man. The people of Canada must not think as I hear they do, the New Zealand Parliament is exclusively engaged on social matters. There is no doubt we have given very considerable attention to those questions, but New Zealand also shows a great regard to questions of trade and commerce; and my government, sir, recognizing that this is a great event, recognizing that it may be the precursor of a large trade not only between the Australian Colonies and New Zealand, but also between the colonies of the Empire at large, made this purely a commercial question, and decided to send a man whom they thought would represent them in a proper manner. I am here in that humble capacity, and I will do my best to promote the interests of the colony by taking a wide and comprehensive view of all questions that may come before us. My government have charged me with the high duty, which I shall have great pleasure in endeavouring to carry out, of giving a liberal and generous consideration to the subjects we may have to discuss. Sir, the colony of New Zealand is directly, immediately, and I may say, more particularly interested in the question of mail communication through Canada to Europe than any other colony; it is our natural line of communication between New Zealand and Europe; and, viewing it in that way, and remembering that for many years we have had a communication almost on parallel lines with it through San Francisco to London, my government think that the time has now arrived when we should endeavour to have an alternate line going through territories

which belong to Her Majesty. (Applause.) There is, sir, another matter which may be brought forward, that is the initiation and the carrying out of a cable service through this Dominion, which will receive the favourable consideration of myself as the representative of New Zealand—for it is a natural corollary to a mail service—which means the introduction, and, I hope, the carrying out of a large trade with Canada. Our cable communication with the United States and Canada is very faulty. It was only the day before yesterday that I received a telegram from New Zealand which took three days in transmission. I believe if we could carry out a cable line from New Zealand to Vancouver we should be placed in immediate contact, not only with Canada but also with Great Britain. Sir, there are many questions which may be brought forward. It must be remembered that at this conference there are representatives coming from colonies with varying interests. In one country we may have one thing to consider and in another country we may have another thing to consider; but I believe it would be to the advantage of all if we regard this conference as a conference for the benefit of the whole Empire and not deal with it in a sectional spirit. (Applause.) I may say that my government have told me that on no account am I to show any of the small petty jealousies which I am sorry to say have from time to time in the past been exhibited between various portions of Her Majesty's dominions. I cannot speak in the same warm manner in which some gentlemen have done with regard to confederation. There are a great number of reasons why New Zealand should not consider at the present moment any question of confederation. It was well said at a conference some few years ago that there were 1,200 reasons why we should defer that consideration; there are 1,200 miles of water between us and Australia; and here I regret to say that I find many people throughout this country who are not so well acquainted with the geographical position of New Zealand as they should be, for they mix up New Zealand with Australia in the most remarkable manner. I shall conclude by saying that on all subjects which come before me, I shall endeavour to act in such a manner as to benefit New Zealand, but I shall also consider Australia, and above all the united interests of the great Empire to which we are all proud to belong. (Applause.)

LORD ABERDEEN.—I shall now call upon one of the representatives of Victoria—Hon. Simon Fraser.

HON. SIMON FRASER.—Your Excellency, Sir John Thompson, my lord and gentlemen: I have to thank the Government of Canada and the people of Canada on behalf of the colony from which I come for their hearty welcome. We have in Australia, and especially in the colony that I have the honour to represent, with my other two delegates, been exceedingly pleased to receive the invitation of this great Dominion, of which I am also, I may inform your Excellency, a native. (Applause.) But, although I have taken my abode in that country of Australia for over 40 years, yet I need not say that I am delighted beyond measure to be back once more, especially upon such an auspicious occasion as the present. We have received every attention since we landed on the shores of the Dominion, more than we deserved indeed. We have wondered, and wondered over again, at the progress made by this great Dominion, and I can say that although the progress is marvellous, and the people and the government who have had the courage, the daring, I may say, of carrying out such a successful policy should be congratulated and complimented; still I may say that quite such a future is in store for us in Australia should we have the good fortune and the good sense to follow the ex-

ample so well set us by Canada. (Applause.) And I may say that our esteemed delegate from the Imperial Government, the Earl of Jersey, is aware of the fact—and my friend Hon. Mackenzie Bowell must be aware of it—that if you are travelling through Australia you find that nine men out of ten are in favour of federation; yet it has not been carried out. We are now, I hope, on the very verge of succeeding; at any rate we are making greater efforts than were ever done before. And we are determined in doing that—as I hope we will be determined in doing what we are now about to commence—to give and take in all matters affecting the welfare not only of our own country, Australia, but of the country, of the Imperial and British interests as well. We meet on this occasion, and the gravity of the situation is very great, because we are acting for future generations; and although I am a great believer in commerce—we all are—there are other matters besides commerce; sentiment has a good deal to do with matters in this life; and if we can manage to increase the trade between Australia and Canada, then larger benefits will follow. That is, the standing by each other, as the Scotchmen would say, standing shoulder to shoulder in time of trouble and anxiety. Well, of course, if we trade with each other we will know each other much better than we can possibly do without trading with each other. I imagine there is a considerable trade to be done between Australia and Canada. It has been alluded to, and I am not going to refer to it; I could enlarge upon various little matters, but this is not a suitable time for so doing. At any rate I am quite sure that the Australian delegates, and also the whole of the delegates, will give and take in all matters like this, and act for common interests. Unless we sink minor and local differences, we never, of course, can arrive at what will be satisfactory in the long run. It is only by yielding here, accepting there, and following a policy of that kind, that we can perhaps look back in years to come and say we have acted with discretion and with wisdom on the whole. I am proud to say that the colony of Victoria is most anxious, and will be exceedingly, I was going to say annoyed, but disappointed at any rate, and grieved, if some successful issue does not result from this great conference. We are not tied by narrow lines. We have the assurance of our government, and I know that the people will be eminently satisfied if we are successful in our mission, because the interests at stake are immense; the interests of Australia alone are immense. My friend, Mr. Playford, has alluded to the trade of Australia. The wool trade of Australia comes to £22,000,000 annually, or nearly \$100,000,000; so that you can imagine what huge interests are at stake. There is where I congratulate the delegate who has referred to the fact—I think it was Mr. Fitzgerald—that the Pacific Ocean ought to be traversed by fast-going boats that would be available to the imperial or colonial authorities if ever unfortunately such a time should arrive to require the same. Our mission is one of peace to all mankind, and not an aggressive one. But, while we acknowledge and declare that to the whole world, yet it is no harm to prepare for eventualities; it is no harm to keep our powder dry. Now, your Excellency, I join with the other delegates in my heartiest thanks on behalf of the colony of Victoria for this sincere welcome. Indeed I may say that I told my brother delegates it would be so on the way from Sydney here, and I may say in passing, that the voyage to Canada is only a voyage of three weeks, that it is no doubt the shortest way to England, and ought to be, certainly, a popular way; a pacific ocean truly it is; and the scenery across from Vancouver here is unrivalled in the world. I have travelled a good deal through Norway and Sweden and other countries, and I have gone sight-seeing, but I have never seen such

sights as here, not even in the country my friend before me represents, New Zealand. So that that great line certainly ought to be a popular one ; and it undoubtedly does cement this great Dominion together and set an example to the world. I do not know, your Excellency, that I can add very much to what has been so eloquently and ably spoken ; but when the actual work begins, I am sure one and all of the delegates will do their utmost to bring about the successful issue of the objects we have in view, namely, trade relations and a cable across to Australia. Certainly without a cable there is a great link missing, and it will be for this conference to forge that link without doing injury to any other company or country ; but if that link is not completed, then I say there will be a blot on the result of the conference. I thank your Excellency for the patient hearing you have given me, and I resume my seat simply saying that I am sure good results will follow from our mission to this land. (Applause.)

LORD ARERDEEN.—I now call upon the Hon. A. J. Thynne, one of the representatives of Queensland, to address you.

HON. A. J. THYNNE.—Your Excellency, Sir John Thompson, and gentlemen : I respond on behalf of the junior, the youngest of the Australasian Colonies, Queensland ; and I think it is very proper that the colony which has been so short a period in existence as ours has been, should be placed on the list of addresses here, so that its delegates may offer to the assembly an expression of their feelings in an order which comes more fitly in the place usually allotted in these times to those of youth and of shorter experience. We have the great privilege of having been called after Her Majesty the Queen herself. We are her latest colony, and she has been good enough to appropriate for us her own name, that of Queensland ; and what is the offering which this young colony has to make in return ? She has endeavoured to follow the steps and benefit by the experience of those who are around her, such as the progressive colonies of New South Wales and Victoria. We have endeavoured to take self development and we hope we have made fairly good use of our opportunities, for we offer in return a voluntary, fruitful and hearty spirit of appreciation of the benefits which we have received under Her Majesty's reign ; and I think that it does not detract from the value of the offering to state that there is not any feeling of impending danger, nor any merely selfish interest which has prompted the development in the colony of Queensland of the most hearty spirit of loyalty towards Her Majesty. (Applause.) I go further, your Excellency, and I say this, that not only do we feel that same spirit of loyalty towards Her Majesty, but there is a spirit of loyalty—that loyalty which, in Australia, as well, I am sure, in Canada, is regarded as sacred by all men who have to endure common hardship, who may have to undergo common danger—and that is the loyalty to one's fellow-subjects ; and I have no doubt that in the discussions that may arise at this conference or hereafter, the people of Queensland will not be in any way backward, or behind those of other colonies or other countries in submitting to her share of responsibility, her share of burden, for the united benefit of the whole of those whom she is privileged to call her fellow-subjects. I have to thank your Excellency for the very appropriate and heart-stirring words which you made use of in your address to us. I think, sir, that the objects of this conference and the spirit which should control it, could not be better expressed than they have been by your Excellency ; and I trust that every delegate who is attending the

Zealand. I doubtless have been so and all of our objects were only with-
 out force that I think my seat in this land. I represent
 the people of New Zealand; I am a period of time here, so long as I am to those who have been and she has and; and he has en-
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 to Her Majesty, well, I am so to endure that is the
 decisions that will not be in submit-
 ted benefit of subjects. I am sure that this con-
 ference will bear those words in mind. I cannot at this stage of the proceedings offer many new sentiments or thoughts for consideration, the subject having been handled by so many much more able speakers than myself, but I will say on behalf of the colony which I have the honour to represent with my friend Mr. Forrest that we should be very much disappointed indeed if there is not some immediate practical result from our conference. (Applause.) We hope, sir, and trust that when we return to our colonies we shall have some practical definite business which can be at once dealt with and disposed of, and that the initiation of this highly desirable commercial intercourse between Canada and Australia will not be left as a matter for future years, but shall be at once and without any unnecessary delay entered upon and carried out. (Applause.) Delays are dangerous, and as for our colony—and I think for most if not all of the other Australian Colonies—there is no desire for delay. We will receive with the greatest care and attention every proposal that is laid before us, and if we can in any way assist towards bringing those proposals into immediate practical operation, I think it will not be through any want or any delay or desire to delay on the part of the colonies that those proposals cannot be carried into effect at a very early date. We look, sir, to hearty co-operation, among ourselves in the Australian Colonies, but we are also exceedingly glad to have the countenance and support of our fellow colonists from the Cape of Good Hope. We look also to the active co-operation of Her Majesty's Government and her representative to bring this conference to an early, successful and practical result, one which will add to what has been so well described as the bonds of sympathy; those bonds of sympathy at any rate will not be made any the weaker by having a bond further to bind us together. I think up to the present moment our bond of union with Canada has been that feeling of sympathy which existed in Canada, and that feeling of sympathy which existed in Australia towards one common object, the mother country. (Hear, hear.) But that bond of sympathy will be none the less effective if our people, our merchants and traders are interested directly in the course of trade between the Dominion and the colonies, are interested in our investments, in the money expended in the development of commercial intercourse, and in the establishment of cable communication; and I trust, sir, that we shall make our heartiest efforts towards bringing about the additional bonds which those objects would involve. I am sure that you, sir, and this large assembly must be already weary with the number of addresses which have been delivered, interesting each one of them undoubtedly; but the time has so far gone that I will not detain you any further beyond thanking you again on behalf of the colony which I represent for the almost royal hospitality which you have shown us—hospitality which it would be as hard for me to express in words as it would be to describe your magnificent scenery. And I assure you we shall take the greatest pleasure in reporting to our government, our parliament, and our people the kindly feeling you have shown us. (Applause.) I thank you again. (Applause.)

AN ADDRESS TO HER MAJESTY.

Hon. Mr. SUTTOR.—This being the 56th anniversary of the coronation of Her Majesty the Queen, I feel that we cannot separate to-day without taking advantage of this opportunity to present to Her Majesty an address of congratulation on the length and beneficial influence of her reign over the British Empire. I therefore beg to move the following resolution:—

"That a committee be appointed to prepare an address of congratulation, from the members of the conference to Her Majesty the Queen, upon her having attained the fifty-sixth year of her coronation.

"That the committee consist of Hon. Mackenzie Bowell, Sir Charles Mills, Hon. Thomas Playford, A. Lee Smith, Esq., Hon. Nicholas Fitzgerald, Hon. Mr. Fraser, Hon. A. J. Thynne and the mover."

This resolution on being put was adopted.

Hon. Mr. SUTTON, on behalf of the committee, reported the address. He said:—

In moving the adoption of this address to Her Majesty the Queen, it would indeed be presumptuous in me to say many words in eulogy of Her Most Gracious Majesty. But coming from the nadir of your zenith, and being an Australian, it may not be considered altogether inappropriate if I should ask the members of the conference to agree to this address. Our sovereign has to-day reached the 56th anniversary of her coronation, and we do hope that she may be long spared to rule over us, and to be an example to her race in the future as she has been in the past. Within the last few days there has been born a young son to their Royal Highnesses the Duke and Duchess of York, who it is to be hoped will receive the instruction and wise counsel Her Majesty is so capable of giving to one who may ultimately become our ruler. This most successful of successful sovereigns has been a great and good example to all others. She has not only led a noble life, but a life that has been pure and blameless through all these years, "in the fierce light that beats upon a throne." I beg to move the adoption of the address, which is as follows:—

Address to Her Majesty the Queen, from the Colonial Conference assembled at Ottawa on the 28th June, 1894

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:—We, Your Majesty's dutiful and loyal subjects assembled at Ottawa to confer upon the best means of promoting commercial intercourse between the various portions of Your Majesty's Empire, desire to express our unswerving attachment to the Throne and person of Your Majesty.

Coming together on the 56th anniversary of Your Majesty's coronation, we, hitherto strangers to each other, are led by this happy concurrence to realize the closeness of the tie which binds together the widely separated portions of Your Majesty's dominions by a common sentiment of devoted allegiance to Your Majesty's gracious rule.

It is, therefore, with a lively and heartfelt satisfaction that, on the threshold of our labours, we unite in offering our humble, sincere and cordial congratulations on this auspicious occasion which distinguishes a glorious year in the annals of England, no less for its unexampled duration than by reason of its glorious achievements of civilization with which it must be for ever associated.

We beg to express Your Majesty of the earnest resolve which animates those charged with the administration of Your Majesty's colonial possessions to vie with Your Majesty's Imperial advisers in upholding the ancient monarchy under which it is our happiness to live, and in doing our part to hand down unimpaired to the last generations this great symbol of our union and our strength.

We rejoice in the well grounded hope that Your Majesty may be spared to your people for many years to come.

SIR CHARLES MILLS.—Your fellow colonists of the Cape of Good Hope will be highly pleased to learn that the honour of seconding the resolution for the adoption of the address just read has been conferred on one of their delegates to this conference, and I, as their humble representative, gratefully appreciate having been selected for this duty, which I will now willingly discharge as briefly as possible. On the invitation of the Government of this great country, this grand Dominion, there are now assembled here representatives from all but one self-governing colony to confer as to the best means of promoting the commercial interests of every portion of the British Empire, and on this point I wish now merely to say that the Cape Colony aspires to the exercise of the same trade facilities between the several colonies and parts of the Empire as those enjoyed by the different counties in Great Britain and Ireland—between Sussex

and Surrey for instance. It is therefore not only seemly but dutiful that being met here on the 56th anniversary of the coronation of our great and noble Queen (the designation whereby the name of Victoria will go down to posterity in the world's history) we should, after invoking the blessing of Providence upon our proceedings, approach Her Majesty with expression of love and devotion to her person and throne, mindful of the fact that she has so nobly borne the Crown of the British Empire and its vast responsibilities for fifty-six years with honour and glory in her public, and unblemished virtue and rectitude in her private life, a grand example to her people. In the name and on behalf of the colony of the Cape of Good Hope, I now beg to second the resolution submitted by the honourable the mover.

Lord ABERDEEN.—I shall regard it as a high honour and privilege to transmit your address to Her Majesty at the earliest opportunity.

THE FIRST ATLANTIC STEAMER.

Lord ABERDEEN.—I have received the following letter from the clerk of the House of Commons and beg to read it to you :—

To His Excellency the Governor General :

MY LORD,—The two Houses of the Canadian Parliament have ordered that a brass tablet should be placed in the wall of the corridor leading to the Library of Parliament, with a suitable inscription "commemorating the departure of the "Royal William" from the port of Quebec, in 1833—the first vessel to cross the ocean wholly by means of steam.

Your Excellency is already familiar with the leading circumstances connected with this interesting historical fact. The brass plate ordered by Parliament is now ready to be put in place, and it is felt that no more fitting time could be chosen than at the close of the opening meeting of the colonial conference.

On behalf of the Royal Society and associated societies, who were the first to move in doing honour to the builders and navigators of the "Royal William" I express the hope that Your Excellency will be pleased to place the commemoration plate in its permanent position. If it is agreeable to Your Excellency I inclose the list of gentlemen who, it is thought desirable, should witness the proceedings.

1—The delegates to the conference. 2—The Speakers of the Senate and Commons. 3—Cabinet Ministers. 4—Mr. Gustavus Wicksteed, who saw the "Royal William" launched 63 years ago and took passage on her trial trip. 5—Mr. Horace Wicksteed, who boarded the "Royal William" on her arrival in England and dined with the captain. 6—Representatives of the Royal Society and Associated Societies.

I have the honour to be Your Excellency's most faithful servant,

(Signed), J. G. BOURINOT.

In accordance with this request I shall when the conference rises have much pleasure in placing the brass tablet in the place selected for it, and I invite the gentlemen specially named in the letter and others to assist me by their presence at the place designated.

I have now to announce that the first meeting is concluded, and that the members are invited to meet to-morrow for business at half past ten in the office of the Minister of Trade and Commerce.

His Excellency then proceeded to the corridor leading to the Library of Parliament when, in pursuance to the order of Parliament, the memorial brass respecting the "Royal William" was placed in the position it now occupies. This formal act performed by His Excellency on the occasion of the opening of the Colonial Conference most fittingly associated the gathering of representatives from the British possessions in all quarters of the globe, with the germ and pioneer of ocean steam navigation, the development of which has rendered the conference possible. The memorial was placed in its position by His Excellency in presence of the delegates, the Speakers of both

Houses of the Dominion Parliament, the members of the Government and members of both Houses, by members of the Royal Society of Canada on behalf of the Canadian Institute, Toronto, the Literary and Historical Societies of Quebec and Halifax and other associated societies, and by citizens of Ottawa generally, among others the venerable brothers Wicksteed, referred to in the letter on the preceding page.

The inscription on the memorial brass is as follows :—

IN HONOUR OF THE MEN
BY WHOSE ENTERPRISE, COURAGE AND SKILL

THE
“ ROYAL WILLIAM ”

The first vessel to cross the Atlantic by steam power was wholly constructed in Canada and navigated to England in 1833. The pioneer of those mighty fleets of ocean steamers by which passengers and merchandise of all nations are now conveyed on every sea throughout the world.

Ordered by the Parliament of Canada, June 13-15.

1894.

DOUGLAS STEWART,
J. LAMBERT PAYNE,
Joint Secretaries of the Conference.

PROCEEDINGS OF THE CONFERENCE.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,
OTTAWA, FRIDAY, June 29th, 1894.

The Conference opened at 10.30 a.m.

The following representatives were present :—

The Imperial Government—{ THE RIGHT HON. THE EARL OF JERSEY,
P.C., G.C.M.G.

Canada—HON. MACKENZIE BOWELL, P.C.
HON. SIR ADOLPHE CARON, P.C., K.C.M.G.
SANDFORD FLEMING, Esq., C.M.G.

Tasmania—HON. NICHOLAS FITZGERALD.

New South Wales—HON. F. B. SUTTOR, M.L.A.

Cape Colony—SIR HENRY DEVILLIERS, K.C.M.G.,
SIR CHARLES MILLS, K.C.M.G., C.B.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—ALFRED LEE SMITH, Esq.

Victoria—SIR HENRY WRIXON, K.C.M.G., Q.C.
HON. NICHOLAS FITZGERALD, M.L.C.
HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.
HON. WILLIAM FORREST, M.L.C.

CREDENTIALS FILED.

The delegates filed their credentials. (*Vide*, Appendix "A.")

HAWAIIAN REPRESENTATION.

A letter was read from Mr. Theo. H. Davies, dated Ottawa, June 27th, 1894, explaining the position which the Honolulu Chamber of Commerce expected him to have at the conference. The letter was placed on file. (*See* Appendix "A.")

ELECTION OF PRESIDENT.

Hon. Mr. FITZGERALD.—I have very great pleasure indeed in nominating Mr. Mackenzie Bowell for the position of president of the conference. It is not necessary for me to put before you his high claims to the position, and I am sure the nomination will be received with pleasure by all.

The Earl of JERSEY.—I have much pleasure in seconding the motion.

The motion was agreed to.

Hon. Mr. BOWELL.—In assuming the responsible duties which devolve upon the president of a conference of so important a character as the one now assembled, I cannot but express my humble appreciation of the high honour thus conferred, and further to express the hope that in discharging the duties of presiding officer my actions may be such as to meet with the approval of all assembled to take part in the consideration of the important questions which are expected to come before you.

It is with exceeding regret that I have to apologize for the absence of our Finance Minister, Mr. Foster, who was appointed with Sir Adolphe Caron and myself, but is unable to be present on account of illness. The strain of the session, and the re-arrangement of the tariff, which is composed of some 900 items, has entailed a great amount of work upon him. He is at present suffering from an attack of lumbago, or nervous prostration ; but we shall have the benefit of his valuable services, I hope, in a day or two.

It is exceedingly gratifying to the Government of Canada, to witness the great interest which has been manifested not only in the self-governing colonies of Her Britannic Majesty, but in England, in the meeting together of representatives from different portions of the British Empire for the purpose of discussing questions of vital importance to their future development and all that contributes to a nation's greatness.

At no period in the history of the Empire could the words placed in the Queen's Speech on the prorogation of Parliament in 1886, when it was proposed to hold the first Colonial Conference, be repeated with greater truth than at the present moment. Time has only intensified the force of the utterance which Her Gracious Majesty then made, when she was pleased to say :—

“I have observed with much satisfaction the interest which in an increasing degree is evinced by the people of this country in the welfare of their Colonial and Indian fellow subjects ; and I am led to the conviction that there is on all sides a growing desire to draw closer in every practical way the bonds which unite the various portions of the Empire.”

The first statement is verified by the fact that we have present a representative of imperial authority to take part in our deliberations ; and the second has a practical illustration of its correctness in the fact that delegates are present from various colonies to consider and adopt measures which have for their object the drawing closer together in a perpetual bond of kinship those subjects of Her Majesty whose lot has been cast in different parts of her great Empire.

The present conference does not meet, as has been stated in some of the public journals, for the purpose of discussing imperial politics or imperial foreign policy, further than they affect the material welfare and well-being of the different British colonies in general, in matters of trade, and that which is incident thereto, cable connection between all parts of the British Empire without touching upon foreign soil.

This conference is the direct outcome of the policy of the Canadian Government in its efforts to extend trade in every direction, more particularly with its sister colonies. With that end in view, as an initial step and as an evidence of the interest taken therein by the representatives of the Canadian people, a subsidy was voted by parliament in aid of a direct steamship service between Canada and Australia. This having been accomplished and the service fairly inaugurated, the Minister of Trade and Commerce was, on the authority of an Order in Council passed on the 7th of September, 1893, “requested to proceed to Australia as soon as possible to confer with the several governments there, with a view to promote the extension of trade between Australia and Canada, also to confer with those governments on the subject of a telegraph connecting Canada with Australia.” Under and by this authority the minister proceeded at once to Australia and after conferences with the governments of New South Wales, Queensland, Victoria and South Australia ; and after having communicated by letter with the Premiers of New Zealand, Tasmania, Western Australia and Fiji, the govern-

ments of all of which entered most earnestly into the projects, it was deemed advisable, owing to the fact that most of the colonial legislatures were then in session, that a Conference composed of delegates from the different colonies should be held in Canada at as early a period as convenient. In confirmation of this view, the Earl of Hopetoun, Governor of Victoria, in proroguing Parliament in November, 1893, said :—

“The visit to Australia of the Honourable Mackenzie Bowell, the Canadian Minister of Trade and Commerce, as a Delegate from the Dominion Government, is an event of interest. It illustrates the unity under the Crown of the numerous distinct governments which constitute the British Empire; and the purpose of the visit which is to establish trade relations between Canada and Australia, marks the practical nearness of otherwise distant communities.”

His Lordship then added :—

“It has been suggested that the object in view would be attained by a conference in Canada of Australasian representatives with the Government of the Dominion. Should such a conference be arranged due provision will be made for the representation of this colony on the occasion.”

Upon the return of the minister to Canada and the result of his mission being reported to his colleagues, an Order in Council was passed of which the following is a copy :—

“On a report dated 5th of February, 1894, from the Minister of Trade and Commerce submitting the following recommendation relating to trade and cable communication between Canada and Australia :

“1. In order to cultivate and increase trade relations between Canada and Australia an Act was passed (Act 52 Vic., chap. 2, 1889) intituled : An Act relating to Ocean Steamship Subsidies, authorizing the granting of a subsidy of not exceeding the sum of £25,000 sterling per annum, to assist in establishing an effective fortnightly steamship service between British Columbia and the Australian Colonies and New Zealand.

“2. Chapter 2, 52 Victoria, was amended by Act 56 Victoria, Chapter 5 (1893), so far as to authorize the granting of a subsidy of not exceeding the sum of £25,000 sterling per annum to assist in establishing an effective monthly or more frequent steamship service between British Columbia and the Australian Colonies and New Zealand.

“3. Under this authority a contract was entered into between the Minister of Trade and Commerce on behalf of Her Majesty, and James Huddart of the city of London, in England, bearing date the 1st day of May, 1893, providing for a monthly or more frequent service between Vancouver, B.C., and Sydney, N.S.W., under the terms of which steamships of the capacity agreed upon were placed on the route, the first one sailing from Sydney the 18th May, 1893.

“4. On the 7th September, 1893, an Order in Council was passed authorizing the Minister of Trade and Commerce to proceed to Australia and confer with the several governments, with a view to promote an extension of trade between Australasia and Canada, and also to confer with the said government on the subject of a telegraphic cable to connect Canada with Australia and New Zealand.

“5. The Minister of Trade and Commerce on the 7th September, 1893, proceeded to Australia, and had conference and communication with the governments of the several colonies on the subjects referred to in the said Order in Council of the 7th September, 1893, at which it was suggested, and a decision was arrived at between the Minister of Trade and Commerce and the Premiers of New South Wales, Queensland, Victoria, and South Australia, that it was important that a conference should be held at as early a date as would be most convenient, in the city of Ottawa, Canada, for the purpose of discussing the arrangements which might be considered the most desirable for the purpose of carrying out the objects in view.

"6. The minister recommends that the governments of New South Wales, Queensland, Victoria, South Australia, Tasmania, New Zealand and Fiji be respectfully requested to appoint and send one or more delegates to meet at Ottawa, on Thursday, the 21st day of June, 1894, for the purpose of considering the trade relations existing between Canada and their respective countries, and the best means of extending the same and of securing the construction of a direct telegraphic cable between those colonies and the Dominion of Canada.

"The minister further recommends that the government of the Cape of Good Hope be invited to take part in the deliberations of the conference herein referred to.

"7. The minister also recommends that the British Government be requested to take part in their conference by sending a delegate or by such other means as may be considered advisable, inasmuch as the object is of an imperial as well as a colonial character.

"The committee, concurring in the above recommendation, advise that your Excellency be moved to transmit a certified copy of this minute to Her Majesty's Principal Secretary of State for the colonies.

"The committee further advise that your Excellency be also moved to transmit certified copies to the Governors of the various colonies herein referred to, and to the Governor of the Cape of Good Hope.

"All of which is respectfully submitted for your Excellency's approval.

"(Sg.l.) JOHN J. McGEE,
"Clerk of the Privy Council."

To this invitation the imperial, and the majority of the colonial governments communicated with, gave a favourable response, as evidence of the fact delegates are now present to consider and devise the best and most feasible means of bringing about the objects in view, viz., of developing trade interests, not the least of which is cable communication between all the different portions of the Empire. It is to be regretted that Western Australia and Fiji were not able to send representatives; important state duties, which could not be postponed, having prevented. Sir John B. Thurston, Governor of Fiji, though not here, assured me in a letter explaining his absence, that he was in full sympathy with the objects for which we have met.

Before drawing attention to the important subjects, which among others may receive the special consideration of the conference, it is desirable that I should inform those present that on my return from Australia last December, the steamer called at Honolulu, the capital of the Hawaiian Islands, where through the intervention of the president of the Provisional Government, I addressed the members of the Chamber of Commerce upon the subject of more extended trade between those islands, Canada and Australasia, as did also Mr. Hoyle, a member of the New South Wales Legislature.

At the same time I informed the chamber of the proposed conference to meet here, and extended an invitation to it to send a representative. A committee was appointed to consider the subject, and as a result we are glad to welcome Theo. H. Davies, Esq., British consul at Honolulu, as a representative of that body, who visits us with a view to consider how and in what way trade may be best encouraged between the Hawaiian Islands and the British Colonies.

In discussing with the premiers of the different colonies the subject of more extended trade relations between Canada and Australia by means of a modification of tariffs, I found the provisions of the Constitution Acts under which the different Australian Colonies are governed would not permit of the adoption of a policy of differential

tariffs in favour of any other portions of the Empire, that while each colony had the authority under their Constitution Act to discriminate against each other, that power did not extend beyond the limits of Australia. In order that this may be made clear, I quote from the Constitution Act of Queensland, as follows :—

“ Subject to the provisions of this Act and notwithstanding any Act or Acts of the imperial parliament now in force to the contrary it shall be lawful for the legislature of the colony to impose and levy such duties of customs as to them may seem fit in the importation into the colony of any goods, wares and merchandise whatsoever, whether the produce of or exported from the United Kingdom or any of the colonies or dependencies of the United Kingdom or any foreign country.”

“ Provided always that no new duty shall be imposed upon the importation into the said colony of any article the produce or manufacture of or imported from any particular country or place which shall not be equally imposed on the importation into the said colony of the like article the produce or manufacture of or exported from all other countries and places whatsoever.”

No such provision is found in the Constitution Act of Canada nor any other provision which can hamper the action of the Canadian Government in respect of its trade policy ; but restrictions do exist in certain treaties entered into between England and Foreign powers which bind all the colonies to terms and conditions respecting most-favoured nation treatment ; that, in 1862, between Great Britain and Belgium, contains the following clause :—

XV. “ Articles the produce or manufacture of Belgium shall not be subject in the British colonies to other or higher duties than those which are or may be imposed upon similar articles of British origin.”

And in the treaty of commerce between Great Britain, Prussia and the Zollverein (Luxemburg, Mecklenburg-Schwerin, Anhalt, Waldeck and Pyrmont, Lippe, Bavaria, Saxony, Hanover, Schaumburg-Lippe, Wurtemberg, Baden, Hesse-Cassel, Hesse-Darmstadt, and the States forming the Customs and Commercial Union of Thuringia, viz., the Grand Duchy of Saxony, Saxe-Meiningen, Saxe-Altenburg, Saxe-Coburg-Gotha, Schwarzburg-Rudolstadt, Schwartz-burg-Sondershausen, Reuss-Greiz, Reuss-Schleitz, Brunswick, Oldenburg, Nassau and Frankfurt), signed in the English and German language, at Berlin, May 30, 1865, clause VII provides :—

“ The stipulations of the preceding Articles I. to VI. shall also be applied to the colonies and foreign possessions of Her Britannic Majesty. In those colonies and possessions the produce of the states of the Zollverein shall not be subject to any higher or other import duties than the produce of the United Kingdom of Great Britain and Ireland, or of any other country, of the like kind ; nor shall the exportation from those colonies or possessions to the Zollverein be subject to any higher or other duties than the exportation to the United Kingdom of Great Britain and Ireland.

It will be seen that these provisions make each British Colony a party to what is known as the “ most-favoured nation clause,” whether such provisions are in their interest commercially or not.

The practical effect of the provisions in the treaties from which these quotations are made has been to restrict and impede to a certain extent that freedom of action in legislating upon tariff and commercial affairs, which all self-governing colonies should possess in so far as relates to the management of their internal affairs, and external relations with sister colonies or foreign nations when not inimical to imperial interests.

So strong was the feeling of the people of Canada upon this question that the Senate and House of Commons of Canada, during the session of 1892, on the motion of Sir John Abbott, then premier, unanimously adopted the following address to Her most Gracious Majesty :—

“ To the Queen’s most Excellent Majesty :—

“ MOST GRACIOUS SOVEREIGN :

“ We, your Majesty’s most dutiful and loyal subjects the Senate and House of Commons of Canada, in Parliament assembled, humbly request that Your Majesty may be graciously pleased to take into consideration the position of Canada in respect of certain important matters affecting its trade relations with the Empire, and with foreign nations.

“ Your memorialists desire in the first place, to draw attention to certain stipulations in the existing treaties with Belgium and with the German Zollverein, ordinarily referred to as the ‘ most-favoured nation ’ clauses, which are extended to other countries whose commercial treaties with Great Britain contain a ‘ most-favoured nation ’ clause, and which apply to British Colonies. By Art. XV. of the treaty with Belgium, entered into in 1862, Canada is compelled to admit all articles, the produce or manufacture of Belgium, at the same, or at no higher, rate of duty, than is imposed upon similar articles of British origin. And in the treaty with the German Zollverein, entered into in 1865, it is stipulated that the produce of those states shall not be subject to any higher or other import duties than the produce of the United Kingdom or any other country of the like kind ; and that the exports to those states shall not be subject to any higher duties than exports to the United Kingdom.

“ Your memorialists consider that these provisions in treaties with foreign powers are incompatible with the rights and powers subsequently conferred by the British North America Act upon the Parliament of Canada, for the regulation of the trade and commerce of the Dominion ; and that their continuance in force tends to produce complications and embarrassments in such an Empire as that under the rule of your Majesty, wherein the self-governing colonies are recognized as possessing the right to define their respective fiscal relations to all foreign nations, to the mother country, and to each other.

“ Your memorialists further believe, that in view of the foreign fiscal policy of increasingly protective and discriminative duties, it is clearly adverse to the interests of the United Kingdom, and of each and all of its possessions, that the Parliament of the United Kingdom, or of any of your Majesty’s self-governing colonies, should be thus restricted in the power of adopting such modifications of its tariff arrangements as may be required for the promotion of its trade, or its defence against aggressive or injurious measures of foreign policy.

“ Your memorialists desire also to point out that the immense resources of the Dominion in its facilities, and its lumber, require for their profitable development the largest practicable extension of its markets, more especially in countries whose native supply of such productions is limited, while its rapidly developing manufacturing industries demand large and increasing supplies of raw material, to be mainly supplied by countries which are extensive consumers of the productions of Canada. Your memorialists believe that among the countries with which such an interchange of traffic takes place, the British Empire holds the highest rank in amount, and from its diversity of climate and productions affords the widest prospect of rapid, and practically limitless increase, while the trade of the Dominion with the United States is second only to that with the British Empire, and its development and extension are of great importance to us ; though, from the similarity of most of the products of the two countries, it is probably not susceptible of so great an expansion as might be effected in the interchange of traffic with the Empire.

“ Your memorialists earnestly desire to foster and extend the trade of the Dominion with the Empire, with its great neighbour, the United States, and with other countries throughout the world, wherever opportunity offers ; and believe that by

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mutual concessions, and the adoption of measures for the rearrangement of trade relations between the various portions of the British Empire, and between the Empire and foreign nations, important and lasting beneficial results may be attained, and that to the way of the attainment of these great objects, the continuation of the restrictions imposed upon Canada and other portions of the Empire by the so-called favoured nations clause creates an unnecessary and unjustifiable obstruction.

"The Senate and House of Commons therefore humbly request your Majesty to take such steps as may be necessary to denounce and terminate the provisions referred to in the treaties with the German Zollverein, and with the Kingdom of Belgium."

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The demands made in the foregoing address mark "no new departure by Canada from the hitherto accepted traditions and practices of the colonies regarding their relation in matters of trade and commerce with the United Kingdom." Though Great Britain has not yet acceded to the requests of Canada as expressed in that address, it is gratifying to know that no treaty between Great Britain and any foreign power is finally ratified, binding Canada to its provisions, without her consent is first asked and obtained.

The earnest and careful attention of the conference is directed to these two most important points; the abrogation of which by Great Britain is absolutely necessary before the paramount objects which the colonies have in view can be successfully accomplished.

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It is not, I am sure, the desire nor the intention of any colony to adopt a policy of discrimination against the mother country, nor should it do so, but each colony has the right to ask and to receive from the Imperial Authorities the removal of the barriers which now exist preventing full and unrestricted action in dealing with tariff matters in such a manner as will best serve, first, the interests of its people; and second, the interest of the Empire as a whole. This is the more necessary when we consider the rapid development of trade in each colony, as evinced by the increase that annually presents itself. A comparative statement of the imports and exports of eighteen colonies for the years 1882 and 1892, gives the following results:—

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	1882.			1892.			1892. — Total Trade.
	Imports.	Exports.	Total Trade.	Imports.	Exports.	Total Trade.	
	£	£	£	£	£	£	
India.....	60,436,155	83,068,198	143,504,353	84,155,045	111,460,277	195,615,322	Total for Australasia. £122,227,679 or \$394,841,371
Ceylon.....	3,883,287	3,032,107	6,915,394	4,565,234	4,021,728	8,586,962	
Mauritius.....	2,842,008	4,017,063	6,859,071	3,537,444	1,859,844	5,397,288	Total for Canada. £221,556,703 or \$773,950,860
New South Wales.....	21,467,899	17,077,355	38,545,254	20,776,526	21,972,247	42,748,773	
Victoria.....	18,748,081	16,193,579	34,941,660	17,174,545	14,214,546	31,389,091	Total for Canada. £221,556,703 or \$773,950,860
South Australia.....	6,707,788	5,359,890	12,067,678	7,395,178	7,819,539	15,214,717	
Tasmania.....	1,670,872	1,587,389	3,258,261	1,497,161	1,346,965	2,844,126	Total for Canada. £221,556,703 or \$773,950,860
New Zealand.....	8,609,270	6,658,008	15,267,278	6,943,056	9,534,851	16,477,907	
Queensland.....	6,318,463	3,534,452	9,852,915	4,382,657	9,170,408	13,553,065	Total for Canada. £221,556,703 or \$773,950,860
Natal.....	2,213,538	731,869	2,945,347	3,212,259	1,535,903	4,748,162	
Cape of Good Hope.....	9,660,641	8,561,158	18,221,799	9,571,670	12,206,493	21,778,163	Total for Canada. £221,556,703 or \$773,950,860
Lagos.....	428,883	581,064	1,009,947	522,041	577,083	1,099,124	
Dominion of Canada.....	24,879,062	21,278,584	46,157,646	26,179,320	23,417,132	49,596,452	Total for Canada. £221,556,703 or \$773,950,860
Newfoundland.....	1,739,629	1,438,587	3,198,216	1,431,137	1,549,408	2,980,545	
Jamaica.....	1,321,962	1,549,658	2,871,620	1,941,481	1,739,806	3,681,287	Total for Canada. £221,556,703 or \$773,950,860
Barbados.....	1,162,867	1,193,285	2,356,152	1,061,572	926,572	2,008,144	
Trinidad.....	2,389,735	2,452,033	4,841,768	2,089,380	2,258,063	4,347,443	Total for Canada. £221,556,703 or \$773,950,860
British Guiana.....	2,099,633	3,208,631	5,308,264	1,780,319	2,433,213	4,213,532	
Grand total.....	£176,591,833	182,142,260	358,734,093	198,236,034	228,064,078	426,300,112	Total for Canada. £221,556,703 or \$773,950,860
Grand total.....	\$859,413,587	886,425,615	1,745,839,202	964,748,698	1,109,911,846	2,074,660,544	

Colonial Conference.

Giving a total in 1892 of \$2,074,660,554, of which the Australasian Colonies contributed \$594,841,373, and Canada \$241,269,443, or a total of \$836,210,814 ; but it must be borne in mind that a portion of the exports and imports of Australia are intercolonial, while in Canada under confederation, interprovincial trade is not included in her exports or imports.

A large portion of the above trade is with foreign powers which, by a judicious adjustment of tariffs, might be diverted into British channels ; this is therefore deserving of the earnest and careful consideration of those who have the general consolidation of the Empire at heart.

The accomplishment of this great object could, I humbly submit, be attained by each colony retaining perfect autonomy as regards its tariff rates, whether on a basis of free trade or protection, with the one sole restriction, that on all articles on which duties are charged, uniform preferential rates on direct importations shall be accorded to all members of a confederation to be founded for that purpose and to the mother country should she desire to form part of such confederation, as against the rest of the world.

To accomplish this the Imperial Government should be respectfully called upon to terminate all existing treaties to the contrary, at the earliest date possible.

This being attained a joint commission might be appointed to form nomenclature of tariffs so as to insure uniformity of practice in respect to assessments of duties as well as classifications for statistical purposes.

Uniform practice with reference to values for duty and for statistics.

A uniform statistical period and an interchange of statistical, commercial and trade blue-books, as issued.

As a means of ensuring success in the consideration of subsidies for promoting trade relations between the different members of the confederation.

Pertinent to this proposition is cable connection not alone with Australia, but with all colonies which form part of this tariff union—and it is to be hoped that all of Her Majesty's possessions will in due time be incorporated therein—all on a basis of direct British or Colonial control, and touching at or on British territory only.

An extension to Hong Kong of the proposed line between Canada and Australia is under the provisions of the agreement entered into between the Most Honourable the Secretary of State for the Colonies and the Eastern Extension, Australasia and China Telegraph Company, Limited, bearing date the 28th of October last, rendered easy of accomplishment at a moderate cost, while another important link in the grand chain, viz., from Canada via Bermuda to the various British West India Islands is at present under contemplation.

Upon the subject, however, of the importance of cable extension between the outlying portion of the Empire, on the Pacific, it is but necessary to call attention to the proceedings of the Colonial Conference held in London, in 1887, and to subsequent papers upon the subject, all of which will be laid before you.

Correlative to the subject of cable communication and none the less important is that of the increased postal facilities under exclusively British control which the lines of swift communication already inaugurated and those in contemplation will provide, to which no doubt your attention will be directed with a view to the devising of means for further extension and efficiency.

The question of the copyright laws as they effect the colonies is a subject of such importance as to warrant careful consideration. It is not, however, at this moment necessary for me to enter into details upon this subject as fully as its importance demands, from the fact that I shall be enabled to lay before you the report of the Right Hon. Sir John Thompson, Premier and Minister of Justice of Canada, in which he deals fully with the subject ; his report has been approved by the Governor in Council.

Having as briefly as possible, consistent with their importance, enumerated such subjects for consideration as have occurred to me as being of interest to all of Her Majesty's possessions, here represented, I leave for those specially interested therein the presentation of other subjects of interest to individual colonies, some of which may prove to be even greater factors in the working out of the paramount problem, that of the consolidation by the drawing together and binding more closely on the basis of the greatest good to all of the geographically separate portions of the one great Empire, all of which I humbly trust will receive the most earnest and careful consideration of those here assembled.

PRINTING THE PRESIDENT'S ADDRESS.

Sir ADOLPHE CARON.—The address which you, Mr. Chairman, have just delivered I think is a most important one. It is really an address which might be looked upon as a programme. All the questions which the Chairman has touched are of the greatest possible moment, and every colony represented in this conference must feel that upon the result of the discussion of that paper the heavy work of the conference will pretty well turn. I should suggest with your permission, Mr. Chairman, that, considering the importance of this address, it should be printed or type-written and a copy given to each member of the conference, so that the subjects which are of importance to the various colonies might be taken up by the gentlemen who represent such colonies ; and when the time comes for discussing it, from the fact of the paper having been in our hands for a few days it will be more convenient for the gentlemen representing the different colonies to discuss the various subjects which are mentioned in that paper. I move that the address which you have delivered be type-written or printed. It can be done confidentially in the Printing Bureau ; and a copy may be given to the various gentlemen representing the colonies and afterwards a day can be fixed for discussing the subjects mentioned in it.

Hon. Mr. SUTTOR seconded the motion, and it was carried.

ORDER OF PROCEDURE.

Hon. Mr. FITZGERALD.—It might be convenient to members if an arrangement was made as to the order of procedure, and whether we should follow the order set out in this statement of the chairman, or whether it is the wish of the conference we should change that order. For my part I would say that I would like to see the question of the Pacific cable taken up at the earliest possible moment ; and for this reason that it is possible that during the discussion, if the members of the conference should arrive at any conclusion, or should show such unanimity as will justify the act, that we should have the longest opportunity to communicate with our respective governments on the subject, and thinking, therefore, that it will facilitate business, I respectfully throw out the suggestion that the Pacific cable should be the first in order of the public business to be transacted.

Hon. Mr. PLAYFORD.—I understand what has been done is a resolution that we are to take the Chairman's opening address into consideration, and evidently discuss the whole of the subjects contained in it. We are either to do that or discuss each subject separately. Of course, there are advantages in discussing the Chairman's address, as he has touched upon almost every subject that is likely to come before us—a general discussion first—and then a particular discussion on the several points afterwards ; but that is a matter, of course, for us to decide. At the Imperial Conference no such course was adopted. Each matter was discussed separately, and was not mixed up with a general speech and statement on the whole of the questions under consideration. I contend myself that that course is the best. It will not save time by having the general discussion first. Although it may pave the way somewhat, and perhaps save a little time, there will always be a considerable amount of repetition. If we confine ourselves, therefore, to the discussion of each separate question on the distinct questions that may be moved or the propositions that may be laid before us, I think it will be a great deal better than having a general discussion first on the whole of the questions submitted to us.

Sir HENRY WRIXON.—I think it will be the feeling of the conference that we had better proceed to business, and by submitting a distinctive motion we could affirm what we desire. That would be better than a general discussion. I have prepared before coming here a motion on the subject you have, Mr. Chairman, so lucidly put before us, namely giving the dependencies of the Empire power to enter into trade relationship with one another and with the mother country ; and when I am in order I would like to submit that motion ; and when the times comes it would be better to discuss that particular subject. At the same time there is another motion which I wish to make. I would endorse what my co-delegate, Mr. Fitzgerald, has said, because I certainly think it would be the feeling of Victoria that if it were the will of this conference it would be desirable to take the cable first.

Hon. Mr. PLAYFORD.—I think the best course to adopt would be that each member who has a proposal to make should hand it in, and we can discuss it.

The PRESIDENT.—It is then suggested and agreed that any delegates having a subject to bring before the conference should indicate it by resolution, so that the other members could give it consideration. The subject suggested by Mr. Fitzgerald is a very important one, and a day should be set apart for its consideration not earlier, than Monday ; so that Mr. Fleming, who has that subject under his especial direction, so far as Canada is concerned, could read whatever papers he might have ; and the matter could then be discussed. I think, however, that the only practical way of arriving at anything like a conclusion upon any one subject is to take that one subject and deal with it alone. My object in preparing the paper which I laid before you was to present to the conference the different subjects that suggested themselves to me ; but I never supposed for a moment that it included all.

Sir ADOLPHE CARON.—I did not make myself quite understood. I did not at all suggest—and I think it would be a very inconvenient way of proceeding—that there should be a general discussion on this matter referred to in that address. My object in proposing to have it printed was that each of these different subjects could be taken up separately of course. Whenever a day is fixed for any one of the subjects to be taken up. The document in question will serve as a kind of index to the discussion. We can take up the subjects one by one.

Hon. Mr. THYNNE.—The paper which you have read brings forward to be dealt with by us the several subjects as stated by you, and we can deal with that subject as a whole on the day fixed for it.

Hon. Mr. FORREST.—I think the address contains almost every subject which will come before us.

Mr. LEE SMITH.—I understand Mr. Fitzgerald has put a definite motion before the meeting.

Hon. Mr. FRASER.—It was a suggestion.

Hon. Mr. FITZGERALD.—I did not in any way wish the conference to understand that it would not be facilitating business to adopt the suggestion of my friend Mr. Playford. I merely asked if it was the wish of conference that we should invert as it were or alter the order of procedure in the Chairman's paper, or whether we should take this particular subject for the reasons I briefly stated before. I quite agree that a resolution should be submitted in order formally to bring it before the meeting. Therefore, I am quite willing to adopt the suggestion.

Hon. Mr. FRASER.—There are only two matters we have to consider, the trade relations and the cable; and it is a very simple matter, indeed, to fix a day for the discussion of the question of the cable, because I imagine it will not be very convenient to take the cable forthwith. I understand my friend, Mr. Sandford Fleming, has to explain a good many matters; and it is just as well that we should be posted on these matters when the question comes up for discussion; and the suggestion which has been made that a day be fixed for the discussion of the matter of the cable, I think is a desirable one. I think, however, that we should not waste time at present.

Mr. LEE SMITH.—I understand Mr. Fitzgerald to suggest to the Conference the advisability of giving, at the earliest possible moment, the consideration to the matter of the cable for the reasons he pointed out. I think it desirable that members should have an opportunity of conferring with their governments. I would support Mr. Fitzgerald in that suggestion. I think it is the first thing we should take in hand, and I would like to see a definite resolution submitted to the conference, with a view of seeing whether the majority of the members of the conference are in sympathy with Mr. Fitzgerald's motion.

The PRESIDENT.—There can be no possible objection to that. I simply prepared the paper as the matters suggested themselves to my mind. We might commence with the last first, as far as that paper is concerned. It is only a suggestion thrown out of the different subjects to which I thought the attention of conference should be drawn. If it is the wish of conference, you might put in a motion that the question on the cable be fixed for Monday next; and by that time I trust our Finance Minister will be with us.

Hon. Mr. SUTTON.—Will Mr. Fleming move the resolution?

The PRESIDENT.—No, I did not state that. Mr. Fleming is here to give all the information possible on that subject. We will take any motion any member wishes to make. Mr. Fleming will make no resolution because he is not in a position to pledge any government, but I shall call upon him to open the discussion upon the subject when it is decided to consider it.

Hon. Mr. FITZGERALD.—We should consider the importance of this subject, and we should like the discussion to originate with the great colony of New South Wales,

Colonial Conference.

We think it adds to the importance of the subject. It is simply formal to place the matter as a motion on the paper of this conference. Mr. Fleming could then give us his views, which will enlighten us much, and then the matter can be opened up.

HON. MR. SUTTOR.—You wish me to move it?

HON. MR. FITZGERALD.—Yes.

THE PACIFIC CABLE.

HON. MR. SUTTOR.—I have no objection to that. I beg to give notice that I will on Monday next move:

“That, in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable, under sole British control, between the Dominion of Canada and Australasia.”

THE PRESIDENT.—Would it not be well to give it a wider significance? That motion would not include the Cape.

MR. LEE SMITH.—I should like to see the words “Australia and New Zealand” in the resolution.

THE PRESIDENT.—“Australasia” is the word used; that includes New Zealand. It is suggested that the words “The Cape” should be included in the resolution.

HON. MR. SUTTOR.—My idea is it should be to the Australasian Colonies. I do not see how you can bring in the Cape.

MR. LEE SMITH.—I should like my colony included. People mix up the two places.

HON. MR. SUTTOR.—I do not think at this early stage we should determine on any route.

SIR HENRY DE VILLIERS.—The gentleman places it in the form in which he thinks it ought to be, and when we come to consider it, any of us can propose any amendments which we think advisable.

THE PRESIDENT.—Mr. Lee Smith could move an amendment.

MR. LEE SMITH.—I intend to do that.

HON. MR. SUTTOR.—I will put the motion in that way, and any member can move any amendment he desires.

THE PRESIDENT.—Does not this meet all your wishes as it is? Have you not cable communication between New Zealand and Australia now?

MR. LEE SMITH.—Yes, we have.

THE PRESIDENT.—If you have communication between Canada and Sydney you have a complete line.

MR. LEE SMITH.—But there is a very great probability that outside our own immediate circle of the colonies it may be considered that New Zealand is not in the scheme at all—those especially who do not read the proceedings of this conference; and those people who are not familiar with the geographical position of the Australian Colonies will mix up the thing, and New Zealand will not be regarded as having been a party to this arrangement. I must press this point at the proper time if Mr. Suttor will not accept my suggestion now.

THE PRESIDENT.—If Mr. Suttor presses his motion you will have an opportunity to move an amendment.

MR. LEE SMITH.—I will do it at the proper time.

THE PRESIDENT.—Mr. Smith could give another notice of motion if he wishes. Mr. Fleming has just suggested to me that it would be well to follow the

course pursued at the Colonial Conference in 1887, where the proceedings of each day were printed after the conference rose and laid on the table next day. That is exclusively confidential. Then at the close of the conference one or two would look over the proceedings and allow nothing to go into the record except that which we desire to be made public, but the discussions can take place freely and be fully reported and printed at night and handed in the next morning.

Mr. LEE SMITH.—I give notice that on Monday next I will move an amendment to Mr. Suttor's motion to the effect that the word "Australasia" be struck out and the words "Australia and New Zealand" inserted in the place thereof.

Sir HENRY WRIXON.—I give notice that to-morrow I will move that provision should be made by imperial legislation, enabling the dependencies of the Empire to enter into agreements of commercial reciprocity with Great Britain or with one another, without foreign nations being entitled to share therein.

MODE OF VOTING.

Hon. Mr. SUTTOR.—I think before we proceed to business there should be some arrangement as to the mode of voting. Some of the colonies are represented by one delegate, some by two, and some by three. I suppose the voting should be by colonies, but the matter should be placed beyond doubt. I think where a colony is represented by three delegates, they are only entitled to the same vote as a colony represented by one.

Hon. Mr. FRASER.—There is no other intention.

Hon. Mr. SUTTOR.—It is only a formal matter, but should be settled beyond a shadow of doubt as to the intention that we should vote in colonies rather than in person. Before we come to a vote we should put on record some determination to that effect.

The PRESIDENT.—Then you had better make a motion.

Hon. Mr. SUTTOR.—I am quite satisfied if the President gives the decision.

Hon. Mr. FITZGERALD.—Is that settled?

Mr. LEE SMITH.—I shall be quite satisfied.

The PRESIDENT.—It is understood that in the voting hereafter, it be by colonies.

Several REPRESENTATIVES.—Yes.

Hon. Mr. SUTTOR.—I beg to move "That in all divisions in this conference the voting shall be by colonies."

Mr. LEE SMITH.—I second that.

The motion was agreed to.

ADMISSION TO THE CONFERENCE.

The Earl of JERSEY.—I would like to ask the delegates if there would be any objection, when we are discussing points of detail, which we shall do shortly, to permit Mr. Mercer of the Colonial Office, to be here for the purpose of giving information? He is very well up in all these subjects.

The PRESIDENT.—Do you mean to have him in the outer room for consultation, or merely to listen?

The Earl of JERSEY.—I mean inside to listen, because he might be able to furnish information at once.

Mr. LEE SMITH.—I think it is all right so far as the Imperial Government is concerned, but I do not think it should be extended to any one else.

The PRESIDENT.—If you extended it beyond that you would have to let each of the secretaries in.

Sir ADOLPHE CARON.—I think it may be open to objection to let them all in, but as far as Mr. Mercer is concerned, it may be very much more convenient to have him here when questions are under discussion. I would not think it advisable to allow other secretaries to be present.

The PRESIDENT.—I will read the despatch to the Canadian government re the appointment of the Earl of Jersey, as it refers to Mr. Mercer. (Despatch given in appendix "A" read.) I think under these circumstances there will be no objection to Lord Jersey's suggestion. Mr. Mercer is an Imperial official.

RELATIONS WITH THE PRESS.

Hon. Mr. PLAYFORD.—I think it should be distinctly understood among us, what information is to be given to the press, because they will be bothering us, and I think the most satisfactory way is that the chairman should give such information to the press as he thinks they ought to receive, and no other member to say anything. When they are asked they simply refer the press to the chairman.

This suggestion was agreed to.

HOURS OF SITTING.

Mr. LEE SMITH.—Would not it be advisable to determine what hours we sit each day?

The PRESIDENT.—The suggestion made by Mr. Lee Smith is a good one, to decide what time in the morning we should come, what time we should rise for lunch, and how late in the day we should sit.

After a short discussion it was arranged that conference should meet in the morning at 10.30, rise at 1 p.m. for lunch, resume at 2.30 and sit till 4.30.

THE QUESTION OF COPYRIGHT.

The PRESIDENT.—I intimated that I would lay before conference the correspondence of Sir John Thompson on the question of copyright, and also a letter written by him while at the Westminster Palace Hotel, London, in 1890. You will find them historical, and treatises upon the whole subject. Whether it affects the other colonies as it does us I am not prepared to say. Referring to the way it affects us here, I may add that as the law now stands it has closed every publishing establishment we had in Canada. We formerly had large publishing establishments, Lovell's, in Montreal, Hunter, Rose & Co., in Toronto, and a number of others. They have all been closed. In fact, under the law as it exists in the United States and Canada, we cannot publish a book here. Formerly, the effect of the copyright law was this: We imposed 15 per cent duty for revenue purposes upon all books, with certain exceptions, and on all English copyrights we imposed an additional duty of 12½ per cent, which 12½ per cent was remitted to the Colonial Office, to be distributed among the copyright-holders, or owners of the books in England, quarterly. Collectors of Customs along the line were instructed to seize all copyright books unless properly

entered, as contraband goods. Even by this system copyright owners were not properly protected, because books were entered in newspaper and pamphlet form, and in other ways, our suggestion has been to allow the treatment of them here the same as they are dealt with in the United States, and impose an excise duty for the publisher, make it punishable if he issued an English copyright book without being stamped with the Inland Revenue stamp, the proceeds from the sale of these stamps to go to the copyright owners. My opinion is that it would be better protection for the author, and at the same time enable us to do a large amount of publishing work. Our lately revised tariff provides that after the 1st of July next we shall collect no additional duty on copyright books. We have been made the servants of all the copyright owners in the past, while our own law is sufficiently stringent to prevent importation altogether; if an author in London sold his copyright to a publisher in Canada, that publisher would have the exclusive right to issue in Canada; all importation from foreign countries would be contraband, and seized the same as other smuggled goods. We seized over 10,000 copies of one work. Books came in by tens of thousands in the Seaside Library form, stereotyped, printed on very light paper, and sold for 25 cents. Well, a man reads a work of that kind, and that is all he cares about it. It is an important subject as far as the publishing interest is concerned. It may not affect Australia so much, because it has not 3,000 miles of a border to protect as Canada has.

The EARL OF JERSEY.—The subject has been discussed in England and there is a committee sitting on it now.

The PRESIDENT.—Under the circumstances, to which Lord Jersey has referred, it may not be necessary for this conference to consider the question of the copyright law, but wait the result of the finding of that committee.

PUBLICATION OF THE PROCEEDINGS.

The PRESIDENT.—The official reporters will furnish a copy of the discussion each day. It will be printed; and then after you have read your speeches, if there is anything you would like to go on the official record, so amend it and correct it, and hand to the Secretary. I notice that Sir Henry Holland, who was secretary of the last Colonial Conference, reserved to himself the right to say what should be published and what should not, and after he had examined critically the speeches they were given to the printer. Anything he considered of a private character which the world should not know was eliminated. I have told the official reporter to send to you as soon as in type the proof sheets of the remarks that you have made, when you can make such corrections as you deem necessary for the official record.

THE APPOINTMENT OF SECRETARIES.

Hon. Mr. FITZGERALD.—No formal motion has been offered to me chair for the appointment of a secretary. I think it is always done.

Sir CHARLES MILLS.—No. I do not remember any motion in the other conference.

The PRESIDENT.—I notice in the original despatch, dated 25th November, 1886, Hon. Mr. Stanhope, who was then Colonial Secretary, told the colonial governments he would take the chair as a matter of course; and when they met Sir Henry Holland followed that rule and took the chair. He brought his secretary to act as secretary of

Colonial Conference.

the conference. I have pursued the same course by asking my private secretary, Mr. Payne and Sir John Thompson's private secretary, Mr. Stewart, to act. Mr. Stewart and Mr. Payne will be joint secretaries of the conference.

ELECTION OF VICE PRESIDENT.

It was resolved that in the absence of Hon. MACKENZIE BOWELL, Sir ADOLPHE CARON should preside.

The conference adjourned at 1.10 p.m. to meet to-morrow at 10.30 a.m.

DOUGLAS STEWART,
J. LAMBERT PAYNE,

Joint Secretaries of the Conference.

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Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,
OTTAWA, June 30th, 1894.

The conference resumed at 10.30 a.m.

Owing to the absence of the Hon. MACKENZIE BOWELL, who had to leave the city on private business, Sir ADOLPHE CARON, Vice-President, presided.

DELEGATES PRESENT :

The Imperial Government—{ THE RIGHT HON. THE EARL OF JERSEY,
P.C., G.C.M.G.

Canada—HON. SIR ADOLPHE CARON, P.C., K.C.M.G.
HON. GEORGE E. FOSTER, P.C., LL.D.
SANDFORD FLEMING, Esq., C.M.G.

New South Wales—HON. F. B. SUTTOR, M.L.A.,

Tasmania—HON. NICHOLAS FITZGERALD.

Cape Colony—SIR HENRY DEVILLIERS, K.C.M.G.
SIR CHARLES MILLS, K.C.M.G., C.B.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—A. LEE SMITH, Esq.

Victoria—SIR HENRY WRIXON, K.C.M.G., Q.C.
HON. NICHOLAS FITZGERALD, M.L.C.
HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.
HON. WILLIAM FORREST, M.L.C.

HER MAJESTY'S ACKNOWLEDGMENT.

Sir ADOLPHE CARON.—I would like to read to the conference a letter which was addressed to our chairman, Mr. Bowell, by Capt. Urquhart, A.D.C., transmitting to him an answer by telegram from Her Majesty to the address which was passed at the conference the other day :

“DEAR MR. BOWELL,—His Excellency directs me to send you the inclosed copy of a telegram which he has just received in reply to a telegram he sent yesterday to Her Majesty on the subject of the address which you asked to have sent on the occasion of the first meeting of the conference. His Excellency is sure that you and the other members of the conference will agree with him that the gracious reply is very gratifying.”

The cable reads :—

“WINDSOR CASTLE,—

“My sincere thanks for your kind congratulation.”

GOOD WISHES FROM EDINBURGH.

Sir ADOLPHE CARON.—I would like also to read a telegram which has just been received from Edinburgh.

“EDINBURGH, 26th June 1894.

“President Colonial Conference,
Ottawa.

“Edinburgh Imperial Federationists express satisfaction at meeting of conference. Hope great question naval defence, will also be considered and imperial unity consolidated.”

(Sgd) SIMPSON.

CANADIAN POSTAL SYSTEM.

Sir ADOLPHE CARON.—At our last meeting I mentioned to you that I had prepared a short paper on the Post Office Department, over which I preside, and had it printed. I thought it would save time and it would be more convenient for the members to lay a copy of it before them. If you will allow me, I will distribute it. The paper was as follows :—

POST OFFICE DEPARTMENT, CANADA.

ORGANIZATION.

The Post Office Department of Canada is under the control of a Postmaster General who is a Member of the Privy Council and may be a member either of the Senate or House of Commons. The Postmaster General is assisted in the general management of the business of the department by a deputy postmaster general.

The post office service is divided into two divisions—the inside service and the outside service. The inside service comprises the staff at headquarters where the business is distributed amongst the following branches :—

The secretary's branch has charge of the general correspondence with the public, with foreign post offices and with the offices of the outside service. The secretary has charge of the establishment of new post offices, of all appointments and promotions in the staff of both the inside and outside service and of the appointments of all postmasters ; he has custody of the bonds given by all postmasters for due fulfilment of office. He has also charge of the inquiries respecting missing letters.

The accountant keeps all books of account and is responsible to the Postmaster General for the prompt collection of post office revenue, and for the examination of all vouchers for expenditure and for the payment of all accounts.

The superintendent of the money order office has the supervision of all duties connected with the issue and payment of money orders, and conducts the correspondence, connected therewith.

The savings bank business is under the charge of a superintendent, to whom is delegated the charge of all matter connected with the receipt and withdrawal of savings bank deposits.

There is also a separate branch called the dead letter office under charge of a superintendent for the receipt and disposal of all un-delivered correspondence, including parcels and everything transmissible by post.

Another branch of the department is the printing and supply branch, the superintendent of which has the sole charge of the ordering, receipt, custody and distribution of the printed forms, stationery, mail bags, locks, stamps and all other stores used in the post office service.

The charge of the mail service including letting, execution and general supervision of mail contracts and the correspondence connected therewith, is also confided to a superintendent, and forms a separate branch.

The remaining branch is the stamp branch, the superintendent of which has charge of the ordering, receipt and issue of all postage stamps, cards, wrappers, bands and stamped envelopes.

OUTSIDE SERVICE.

To ensure a proper supervision over the working of the department in its relation with the public, the Dominion is divided into fifteen divisions or districts, each of which is in charge of a post office inspector who superintends the performance of the ordinary mail service and of the railway mail service, establishes post offices, carries on inquiries respecting missing letters, investigates complaints, and does all those things which have of necessity to be done by local officers.

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A certain number of the more important offices such as Montreal, Toronto and Ottawa are included in what is technically known as the outside office service of the post office—the postmasters and clerks are appointed by the Governor General in Council and are paid fixed salaries, come under the provisions of the Superannuation Act, and together with the post office inspectors and their clerks and the railway mail clerks, comprise the outside service of the post office. Postmasters generally are not included in what is known as the civil service.

NUMBER of permanent and extra Employees on the staff of the Outside Service of the Post Office Department.

POSTAL DIVISIONS.

Rank or Class.	Permanently employed.	Temporarily employed.	Total.
Chief post office inspector.....	1		1
Post office inspectors.....	14		14
Assistant post office inspectors.....	19		19
First class clerks.....	8		8
Second class clerks.....	32		32
Third class clerks.....	42	16	58
Messengers.....	12	2	14
Chief railway and mail clerks.....	9		9
British mail clerks.....	2		2
First class railway mail clerks.....	67		67
Second class railway mail clerks.....	151		151
Third class railway mail clerks.....	150	29	179
Mail transfer agents.....	11	2	13
Total.....	518	49	567

NUMBER of permanent and extra Employees on the staff of the Outside Service of the Post Office Department—Continued.

CITY POST OFFICES.

Rank or Class.	Permanently employed.	Temporarily employed.	Total.
Postmasters.....	16		16
Assistant postmasters.....	14		14
First class clerks.....	26		26
Second class clerks.....	80		80
Third class clerks.....	347	60	407
Letter carriers.....	461	59	520
Messengers and porters.....	32	28	60
Total.....	976	147	1,123
Total Postal Divisions.....	518	49	567
Total City Post Offices.....	976	147	1,123
Total.....	1,494	196	1,690

NUMBER of permanent and extra Employees on the staff of the Inside Service of the
Post Office Department.

Rank or Class.	Perman- ently employed.	Tempor- arily employed.	Total.
Deputy head.....	1		1
Chief clerk.....	8		8
First class clerks.....	11		11
Second class clerks.....	40		40
Third class clerks.....	121	24	145
Messengers.....	6	3	9
Packers.....	25	19	44
Copyists.....		14	14
Total.....	212	60	272

HISTORY.

Upon the confederation of the provinces in 1867, an Act known as the "Post Office Act, 1867," was passed by the Parliament of the Dominion. This Act took effect from the 1st of April, 1868, and from that date an uniform system of post office organization was established throughout the provinces of the new Dominion. The domestic rate of postage was reduced from five cents to three cents per half ounce, the rate to the United States was reduced from ten cents to six cents the half ounce and reductions were also made in the rates of postage upon newspapers, periodicals and other miscellaneous matter.

On 1st January, 1869, there were 3,638 post offices in the Dominion. The revenue of the department was \$1,024,701.

The money order business having been in operation for several years before the confederation of the provinces, this branch of the post office service was continued with such changes in detail as were necessary to secure uniformity throughout the Dominion.

An Act authorizing the establishment of a post office savings bank was passed in December, 1867, and on 1st of April, 1868, eighty-one of the principal post offices in Ontario and Quebec commenced to receive deposits on savings bank account. As there were already in existence in the provinces of Nova Scotia, and New Brunswick, Government Savings Banks, it was not thought expedient to extend the post office system to those provinces until some experience had been had of its working in Ontario and Quebec.

On 1st January, 1870, the rate of postage upon letters from Canada to the United Kingdom was reduced from 12½ cents the half ounce to six cents per half ounce.

When the post offices of the several provinces of the Dominion came under a central administration at Ottawa in July, 1867, it was found that there was great diversity of practice in the mode in which postmasters were compensated for their services, some being paid by a regular fixed salary, some by commission on the business of their offices, and some partly by commission and partly by salary.

A general scale of compensation was therefore adopted—a minimum salary of \$10 a year to all small offices where the business did not warrant a higher payment and in all other cases a salary equal to 40 per cent on all postal business up to \$800 a year, and 25 per cent on all business over that amount, and a special allowance in addition where the work had to be done during the night, and for forwarding or distributing mails for other offices. This change took effect from the 1st of January, 1870—salaries to be revised every two years.

Regular mail communication was first opened with Fort Garry (now Winnipeg) in 1870, the mails being sent by Chicago, St. Paul and Pembina.

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In 1871 arrangements were made for mail service to British Columbia, the mails were made up at Windsor, Ontario, and sent to San Francisco, whence they were conveyed by sea to Victoria.

The inclusion of the provinces of Manitoba and British Columbia necessarily involved the department in heavy expenditure to maintain communication with the older provinces throughout the vast extent of country lying between the great lakes of Ontario and the Pacific Ocean; one of the first routes established was from Winnipeg, then known as "Fort Garry" to Pembina at a cost of three thousand (\$3,000) a year, another was from New Westminster to Barkerville, in British Columbia, 486 miles, at an annual cost of sixteen thousand dollars (\$16,000).

Post cards were first issued to the public in June, 1871, the convenience thus afforded was rapidly availed of, and nearly one million and a half were issued between June, 1871, and January, 1872.

In 1872 the rate of postage upon letters sent from Canada to Newfoundland was reduced from 12½ cents to six cents per half ounce, and the rates of postage upon other matter made the same as within the Dominion.

The organization of the Postal Service in Manitoba and British Columbia having been completed, the postal business of those provinces appears for the first time in the Report for 1872.

From 1st of July, 1873, all payments for salaries and other disbursements on account of the city post offices were made from a special appropriation by Parliament, instead of being paid out of postages collected at the several offices as had hitherto been the practice,—

The amount collected for postage being from the above date paid in to the credit of the Receiver General.

In 1873 an arrangement was made for an exchange of Money Orders between Canada and British India and in this year the Money Order System was also extended to Manitoba.

Prince Edward Island entered the Dominion in July, 1873, and arrangements were at once made for bringing the postal system of that island into harmony with the rest of the Dominion.

The system of free delivery by letter-carriers of letters and newspapers was commenced in 1874 in Montreal and in Toronto, and preparations were made for extending the system to such of the other cities as might by extent of postal business seem to be entitled to such additional accommodation; street letter boxes for the reception of letters were also introduced in the larger cities and towns, and persons to be called stamp-vendors were authorized to sell postage-stamps to the public. Up to this time postage-stamps could only be obtained from postmasters.

In 1874 an important change was made in the treatment of dead letters; heretofore such letters only as appeared to be of value or importance had been returned to the writers; but it was decided that owing to the unsatisfactory character of the discrimination which a cursory examination of the letters rendered possible, the system should be changed and all such letters should in future be returned to the writers.

In October, 1874, a treaty for the formation of a general postal union, and the adoption of uniform postage rates and regulations for international correspondence, was arranged and signed at Berne, in Switzerland, by representatives of the principal nations of the world, including the United States.

This treaty did not include the British possessions beyond the sea; but Canada with the concurrence of the British Government at once applied for admission as a member. Meanwhile the letter rate of postage between Canada and the United Kingdom was, by an arrangement with the Imperial Post Office, reduced to the international rate of 2½d. sterling, or five cents, the half ounce.

The Canada Official Postal Guide was first published in 1874.

Post bands were first issued in 1873.

In February, 1875, a postal convention was made between Canada and the United States for the reduction of postal charges and general simplification and the improvement of the postal intercourse between the two countries.

Under this convention an arrangement was made by which each country gave conveyance over its mail routes to the closed domestic mails of the other free of charge when passing in transit through its territory ; and letters, newspapers and other ordinary mail matter, posted and pre-paid in either country the ordinary domestic rates of that country were to be delivered at destination in the other without further charge for postage.

A further convention was made in June, 1875, to take effect from the 2nd of August, 1875, for a direct exchange of money orders between the United States and Canada.

In April, 1875, an Act to amend and consolidate the Statute Law for the regulation of the postal service was passed, to come into force on the 1st of October, 1875.

By this Act changes of much importance were made in the postal system of Canada, chiefly in the adoption of the principle of compulsory prepayment of the postage upon all letters, newspapers and other mailable matter passing within the Dominion, and in the reduction of the rates on newspapers, periodicals and miscellaneous matter.

The new rates of postage were : letters three cents per half ounce, drop-letters one cent per half ounce, post cards one cent each, newspapers and periodicals from the office of publication to regular subscribers one cent per pound bulk weight, transient papers and books, one cent per four ounces ; parcels, $12\frac{1}{2}$ cents per eight ounces. Request letters—that is letters having printed thereon the name and address of the sender in the request that such letters if not delivered within a certain time specified thereon might be returned direct to the writer without passing through the Dead Letter Office, were first recognized by the Department in November, 1875.

The free delivery of letters by letter-carrier was extended to the cities of Quebec, Ottawa, Hamilton, St. John and Halifax, in 1875.

In July, 1876, the opening of the Intercolonial Railway afforded means of communication by rail between the western and the Maritime Provinces, by which a great acceleration in the transmission of mails to and from the western provinces and Halifax and St. John was effected.

The opening of this railway also enabled the post office department to make an arrangement for embarking and landing the mails for and from Europe by the Canadian line of mail steamers, at Rimouski, a point on the Intercolonial railway, 191 miles east of Quebec, by which a very considerable saving of time in the transmission of these mails to the principal cities in the Dominion was effected. During the winter the mails were landed at Halifax instead of being carried on to Portland, Maine.

The establishment in November, 1876, of a mail service between Winnipeg and Edmonton, a distance of nine hundred miles, left but little more to be done to complete the service from Halifax to Vancouver.

The postage on letters to Newfoundland was reduced to five cents per half ounce and the registration fee on each registered letter passing between the United Kingdom and Canada was reduced from eight cents to five cents.

In January, 1877, an arrangement was made with the general post office of the German Empire for a regular direct exchange of correspondence, and the rate of postage upon letters was reduced to five cents the half ounce ; reductions were also made in the postage upon other classes of correspondence.

By the convention of Paris, dated 1st June, 1878, Canada was admitted to be a member of the general postal union from the 1st of July, 1878, and in consequence the rate of letter postage between Canada and all Europe became one uniform charge of five cents per half ounce.

Newspapers, printed matter and samples and patterns of merchandise, became subject also to uniform postage rates and regulations for all destinations in Europe.

The existing postal arrangements between the United States and Canada were by mutual agreement allowed to remain undisturbed by the entry of Canada into the union.

The postal agreement between the post office of the German Empire and Canada expired, however, as provided by the agreement.

In June, 1880, an amended convention was made between the post office department of the United States and the post office department of Canada for the purpose of

making certain alterations in the system under which money orders were exchanged between the United States and Canada. Under this convention the maximum amount of each money order was fixed at fifty dollars with power to increase the amount to one hundred dollars by mutual agreement between the two post office departments. The maximum amount of a money order had previously been forty dollars.

The rate of commission was fixed at ten cents for any sum not exceeding ten dollars and ten cents additional for every ten dollars or fraction thereof.

In 1881 an agreement was entered into for the establishment of direct steam communication between Canada, the West Indies and Brazil, the first steamer of the line, the "Comte d'Eu," arrived at Halifax from Rio de Janeiro, on the 31st of December, 1881, with mails from Rio de Janeiro, Bahia, Pernambuco, Para and St. Thomas, West Indies, and sailed from Halifax on the return voyage on the 11th of January, 1882.

On the 17th May, 1882, an Act was passed which came into force on the 1st of June, 1882, by which (under certain conditions as to form and manner of posting) newspapers and periodicals printed and published in Canada and mailed by the publisher in the post office at the place where they are published, and addressed to regular subscribers or newsdealers in Canada, resident elsewhere than in the place of publication were transmitted by mail to their respective addresses free of postage.

On the 1st of July, 1882, the charge for commission on the issue of money orders in Canada payable in the United Kingdom was reduced to the same scale as that agreed upon with the United States in the amended money order convention of 1880.

A convention for the exchange of money orders between France and Canada was signed by the Earl Granville, Secretary of State for Foreign Affairs, and Mr. Waddington, Ambassador of France to the Court of St. James, on 20th of June, 1884, and went into operation on the 1st of November following.

During the years, 1883 and 1884 special money order conventions were made between the post offices of the German Empire, Italy, Switzerland and Belgium and Canada, and arrangements were made by which Canada could exchange money orders with Germany, Italy, Belgium, Switzerland, Austria, Sweden, Norway, Denmark, the Netherlands, Barbados, and Jamaica, Victoria (Australia) Tasmania and New Zealand and generally with all British possessions and foreign countries with which the British post office had money order arrangements.

On 1st of January, 1885, a post office and money order office was established for the convenience of the large number of men engaged in connection with the construction of the Canadian Pacific Railway, the post office and home of the postmaster being in a railway car which had been fitted up as well as circumstances would permit for that purpose. As the laying of the track progressed the car moved westward until the section of the road coming eastward was met, when the necessity for the office having ceased, the "end-of-track" post office became a thing of the past. To give an idea of the convenience afforded by this office, it may be stated that during the ten months in which it was in existence, money orders to the value of \$65,304.00 were issued there.

On the 1st of November, 1885, the main line of the Canadian Pacific Railway was completed to Winnipeg, and a mail service by railway, with postal car and mail clerks in charge, was commenced from Montreal and Ottawa to Winnipeg, the trip being made in about sixty-six hours—the distance 1,430 miles.

On Monday, 29th of June, 1886, the first through line left Montreal for the Pacific and reached Port Moody, the then western terminus of the Canadian Pacific Railway, on the 4th of July. This train carried a post office car in the special charge of the chief Post Office Inspector, Mr. John Dewe, under whose supervision the arrangements which had already been made for daily postal car service over the whole line of 2,892 miles went into operation.

The Canadian Pacific Railway thus in connection with the railways already in existence in Quebec and the Maritime Provinces afforded a continuous daily line of mail service by postal car over Canadian territory from the Atlantic to the Pacific, a distance of 3,740 miles.

In August, 1885, an arrangement was made with the Imperial Post Office for the transmission of closed parcels by mail between the two countries, no single parcel to exceed three pounds in weight.

On the 1st of September, 1885, the Post Office Savings Bank system which had for several years been in operation in the provinces of Ontario and Quebec was extended to Nova Scotia and New Brunswick.

The completion of the Canadian Pacific Railway to the Pacific Ocean enabled the Canadian post offices to send mails direct to China and Japan by vessels sailing to and from Vancouver.

An amended postal convention for the purpose of making better postal arrangements between the United States and the Dominion of Canada was signed in January, 1888. One of the chief provisions was the admission to the mails of a variety of miscellaneous articles so put up as to be liable to inspection, at a rate of postage of one cent per ounce, an arrangement which afforded great convenience to the people of both countries.

The above was amended by a further convention signed on the 25th of April, 1888, establishing a uniform rate of one cent per ounce upon all merchandise, and a rate of one cent for two ounces upon all books, pamphlets, circulars and all printed matter generally.

On the retirement from office, after a service of forty-eight years, of Mr. H. A. Wicksteed, the accountant of the department, the several accounting branches of the department were placed under the control of one officer who was called the Financial Comptroller, but the change was not found to meet the expectations which had been formed of its utility, and on the death of Mr. J. Cunningham Stewart, who had been appointed to the office, the position was not and has not since been filled.

The 1st of July, 1888, was marked by the retirement of Mr. W. H. Griffin, Deputy Postmaster General, after a service of fifty-seven years; he had been the permanent head of the post office of Upper and Lower Canada from the time when the control of the department was handed over to the provincial authorities in 1851, until confederation, and Deputy Postmaster General of the Dominion, from that time until his retirement. He was succeeded by the present Deputy Postmaster General, Lieutenant-Colonel William White, who had been secretary of the department since 1861.

In June, 1889, a convention was signed with Japan for a direct exchange of money orders between Japan and Canada, the conditions being similar to those in the conventions already made with other countries.

By the Post Office Act of 1889, the limit of weight of a single rate letter was increased from half an ounce to an ounce; the rate upon drop-letters was fixed at two cents the ounce. The charge for registration was also made uniform and fixed at five cents.

The mail service established between Canada, the West Indies and Brazil some years since did not answer the expectations formed of it, and was finally discontinued. In January, 1890, however, it was thought that as far as the West Indies at any rate, such a service might be re-established with advantage, and a service was therefore inaugurated between St. John, New Brunswick and Demerara, touching *en route* at some of the West India Islands.

Through the courtesy of the Imperial Post Office, an arrangement was made by which parcels could be received from or forwarded to (*via* England) all countries with which the United Kingdom has a parcel post.

A convention taking effect from 1st of October, 1890, was made with Japan for the establishment of a parcel post between the two countries, and a similar convention with Barbados taking effect from 1st of April, 1891.

On the 28th of April, 1891, there arrived at Vancouver the magnificent steamship "The Empress of India," the first vessel of the line which had been established by the Canadian Pacific Railway Company under the contract with the Imperial Post Office. The route taken by this line between Vancouver and China and Japan is 300 miles shorter than any other route from the American continent, and as the vessels of the line run at a high rate of speed, the time hitherto taken to reach China and Japan has been materially lessened.

A convention for a direct interchange of money orders between Canada and the Leeward Islands was concluded on 11th of February, 1892. Similar conventions were

concluded between Canada and Bermuda on the 6th of December, 1892, and between Canada and British Guiana on the 7th of December, 1892. A convention was made with British Guiana for a direct exchange of parcels on the 7th of December, 1892.

Arrangements were also made for increasing the weight of parcels sent between Canada and the United Kingdom from seven pounds to eleven pounds and for a slight reduction in the charge upon all parcels exceeding one pound in weight.

The arrival at Vancouver on the 9th of June, 1893, of the "Miowera" which had sailed from Sdney on the 18th of May, marks an epoch in the history of the Canadian post office, which may well be the starting point from which a great future may develop, and whilst it is the last event to be reached in this short sketch of the growth of the Canadian post office since the confederation of the North American colonies; no event which has occurred is more pregnant with interest to the inhabitants of both Canada and Australia, or more likely to exercise an important influence upon that Empire to which we are all so proud to belong, because in connection with the fast service across the Atlantic, and the wonderful facilities afforded by the Canadian Pacific Railway for the transmission of mails and passengers between Vancouver and Halifax, it will make Canada the great highway to the Australian colonies and the islands of the Pacific, as it already is becoming to China and Japan.

A comparison of the transactions of the Canadian post offices for the year ended 30th of June 1868, with those for the year ended 30th of June, 1893, will show at a glance the enormous increase in the operations of the department during the quarter of a century which has elapsed since the confederation of the provinces.

For the year ended 30th June, 1868, the revenue was \$1,024,701.98.

For the year ended 30th June, 1893, the revenue amounted to \$3,696,062.36, an increase of \$2,671,360.38.

At the close of 1868, there were, in Canada, 3,638 post offices; on 30th of June, 1893, 8,477 post offices were in operation.

On the 30th of June, 1869, the total amount standing to the credit of depositors in the post office savings bank was \$856,814.26. On the 30th of June, 1893, the amount was \$24,153,193.66.

CLASSIFICATION of Balances to the credit of Depositors on 30th June, 1893:—

	Number.	Amount of Balances.	Average Balance.
		\$ cts.	\$ cts.
Amounts of \$500 and under.....	99 657	10,312,558 76	103 47
do over \$500 and under \$1,000..	9,200	6,421,018 96	697 94
do of \$1,000 and over.....	5,418	7,419,615 94	1,369 44
Total.....	114,275	24,153,193 66	211 36

The amount paid for mail service upon railways, in 1868 was \$196,247.94, in 1893 it was \$1,217,651.71.

ADOLPHE P. CARON,
Postmaster General.

INTERCOLONIAL RECIPROCITY.

Sir ADOLPHE CARON.—As to the work for the day, I think Sir Henry Wrixon gave notice that he would move:

"That provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity with Great Britain or with one another, without foreign nations being entitled to a share therein."

Sir HENRY WRIXON.—Mr. Chairman and Gentlemen, I have very few remarks to make and do not intend to detain you long. The motion has been read by the Chair-

man and I only wish to say that there is a trifling amendment which has been suggested by Mr. Thynne in order to make it more plain, the adoption of which I now move ; and when that amendment is inserted it would read :—"Enabling the dependencies of the Empire to enter into agreements of commercial reciprocity, including the power of making differential tariffs with Great Britain or with one another, without foreign nations being entitled to share therein." Now, I would wish to indicate briefly exactly what is included in my motion, for there are some matters cognate to this question which I have not included. The question arises in a manner that can be well illustrated by the case of Victoria, the colony which I represent. The case of the other Australian Colonies is the same, and also I think there is a similar condition with regard to some of the other dependencies of the Empire ; but I will illustrate it by the case of Victoria. By our original Constitution Act, the Imperial Parliament gave us the power of levying customs duties, but added to that general power a restricting proviso that there should be no differential rates. So the law stood for a considerable time. In a few years the question was raised whether we in Australia should not be allowed to make commercial treaties between ourselves and support those treaties by differential rates. This view was submitted to the Imperial Government, and they, with the consideration with which they always treat their dependencies, at once agreed, and introduced a Bill in the year 1873 enabling the Australian Colonies to carry out that object and repealing the proviso in the original Constitution Act. Thus the law now stands that any of the Australian Colonies can enter into commercial treaties with one another, and can support those treaties by differential tariffs which, of course, are not open to the rest of the world to avail themselves of.

Hon. Mr. FOSTER.—Not to Great Britain ?

Sir HENRY WRIXON.—I say the whole of the rest of the world outside the Australian Colonies. The act of 1873 was strictly limited to the Australian Colonies, and it recited that for the purpose of enabling them to enter into agreements of a commercial nature with one another the proviso restricting and prohibiting differential tariffs was repealed ; and they are put in this position now that as regards Australia we can enter into any commercial agreements we like, and support those agreements by differential tariffs ; but we cannot do that with regard to the mother country or with regard to any of the dependencies of the empire other than Australia. The simple object of my motion is to remove that proscription and to extend the power given by the Imperial Act of 1873 beyond the limits of the Australian Colonies, and to make it apply to the whole Empire ; so that, for example, if any of the Australian Colonies wish to enter into, and were able to enter into a commercial treaty with Canada, we would be able to support that commercial treaty by levying differential rates. At present we cannot do it, and it is simply an extension of the power already given by the Imperial Parliament—from the Australian Colonies to the other dependencies of the Empire, and to Great Britain as well. That is a very narrow and simple purpose that I propose, and one to which I do not think any objection will be taken. I am sorry to say that we in Australasia have not availed ourselves of even the power we have to the extent I would wish ; and I hope we may gain wisdom by going abroad, and the same power to enable us to enter into commercial arrangements with other dependencies of the Empire, such as Canada, will be of use to us at home as an example and instruction. I have said I do not think any difficulty will be felt about passing this motion as it is. We know that a much greater power has already

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been conceded to Canada, and to the Cape, and that they practically are enabled to conclude commercial treaties with foreign powers. That power has been conceded to Canada; it has been exercised more than once. It has been conceded to the Cape and has been exercised in the Cape. Of course it is done, as it ought to be done, through the Imperial Government, but still it is practically enabling the Dominion of Canada and the Cape to actually conclude commercial treaties with outside powers; and therefore when that large concession is made to Canada and the Cape, I have no doubt there will be no objection to the smaller concession I ask with regard to the Australian Colonies and those other dependencies which are in a similar position. Now, I say that is a perfectly simple matter, and I do not think there will be much difficulty about it; but I wish to say a word about two other matters which are cognate to this, because question may be raised not so much about what I have put in the motion as what I have left out. And I wish to point out clearly to the conference that I deliberately omitted two matters that might possibly be thought to come within the scope of this subject. The question has been raised as to whether there should not be a formal recognition of the right of a dependency of the Empire to enter into treaties themselves with foreign powers. That question was raised in Australia, I think this last year: at any rate, we expressed the opinion that the time had come when that power ought to be absolutely recognized—the power of dependencies to make commercial treaties for themselves. Well, all I can say is that I am not prepared to include that in my motion, and in my opinion it ought not to be formally recognized. I do not myself understand how it is consistent with the unity of the Empire which we all wish to promote. I do not see how it makes in that direction at all, if you were to formally recognize any authority on the part of a dependency to enter into arrangements for itself. I do not know that I have ever thoroughly understood the position which the Imperial Government takes with regard to the power which they have already allowed to Canada and the Cape, because we all know that nations can only know one another through the supreme head. Each nation is an entity as regards any other nation, and I have no knowledge of how you could recognize a part of an Empire making arrangements for itself. If you look at the thing in the last resort, supposing conflicts arose, or cause of war, the foreign power that had cause to complain of the breach of a commercial treaty must naturally look to the head of an Empire, and they could not be put off by telling them to look for satisfaction to the dependency. If any foreign power made an arrangement with the Cape, and had cause to complain, and wanted to enforce any proviso, they must go to the Empire of Great Britain; and, therefore, as far as I can understand it, I am quite against any attempt to recognize the right of a dependency of the Empire to act on its own behalf. Everything must be done through the head of the Empire when we are dealing with foreign nations. One nation is one individual, and it can only deal with other nations on that basis: therefore I deliberately excluded any reference in my motion to that subject, and I may only add that I think it is quite unnecessary to refer to it, because we can have no doubt that the Imperial Government will extend the same consideration to all the dependencies of the Empire that it has already extended to Canada and the Cape, if in any case any dependency of the Empire shows that it has good ground for entering into a commercial treaty outside. I have not the slightest doubt that the Imperial Government would do

that for other dependencies what it has already done for the premier dependency of Canada and the Cape.

Hon. Mr. FITZGERALD.—Do you wish it done by legislation?

Sir HENRY WRIXON.—No. I do not understand how it can be done, because I have no idea of a nation as anything else than one complete unity with regard to an outside nation, and I cannot understand a dependency of the Empire arranging with an outside power; and I presume where the Imperial Government has allowed Canada and the Cape to make arrangements, the Imperial Government itself has contracted and would be prepared to vindicate the conduct of the dependency in the last resort. I understand that when occasion desires the dependency informs the Imperial Government of its desire to enter into certain arrangements. The Imperial Government authorizes its Minister at the court of the power which is to be treated with, to carry on that negotiation, and then technically, it is the Empire which makes the treaty. In our country, some claimed more than this right. I repudiated any such position. I think, it is not consistent with the unity of the Empire, and I added to that a reason why it was unnecessary—namely, because the Imperial Government will do for us what they have done for Canada and the Cape, and will help us to make a treaty if we want to make a treaty with any foreign power. Therefore, I exclude any reference to that subject in this motion. Next, the members of the conference will be aware that in past times it has been the custom of the Imperial Government to enter into treaty obligations which bind, not only the whole country, but also the dependencies of the country. That has been the custom for many years past. There was the treaty with Belgium in 1862, and the Zollverein in 1865, which are striking instances of that; and other treaties also appear in some of the reports laid before the House of Commons. Now, there is no doubt if that system were persisted in, and continued, it would be highly injurious to the trading interest of the Empire, because it would mean that the whole of the internal trade of the Empire, was bound. It would always be bound by obligations to other countries under the most-favoured nation clause. I believe that the exports from Great Britain to these dependencies amount to about £100,000,000 sterling a year, and if this system were maintained nearly the whole of that vast trade must be subject, wherever treaties exist, with regard to other nations, to that favoured-nation clause. That would be injurious. But there is no use of our looking back to what has been a disadvantage in the past when that disadvantage is not there now. The Imperial Government has completely given up that system, and now when they enter into a customs treaty with a foreign power, they would also include a condition with regard to self-governing colonies, that they come into the treaty or not, just as they like. That is the invariable practice. On this important point, perhaps, I might read a letter from the Colonial Office. This question was raised in 1890, and on the 10th of December, 1890, Mr. John Bramston, representing the Colonial Office, wrote in these words to the Secretary of the Treaties Committee which was then sitting in London:

"Sir,—I am directed by Lord Knutsford, to transmit to you, to be laid before the Committee, copy of a letter from the High Commissioner for the Dominion of Canada and the Agents General in this country, expressing the opinion that the treaties with Belgium and Germany of 1862 and 1865, respectively, should, for the reasons therein stated, be terminated as soon as possible and that no commercial treaty should in future be binding on the colonies without their assent, but that every such treaty should contain a clause enabling the colonies to participate in its provision or not, as they may desire."

That is the demand then made.

"I am, however, to state that a provision to this effect has been inserted in the more recent commercial treaties for many years past, so far as regards the Dominion of Canada, the colonies represented by the Agents General, and the colonies of Natal and Western Australia, and that it is not likely that it would in future ever be omitted from such treaties."

That is a complete reply to what we want. There is no use raising a grievance where there is no grievance, and my motion is strictly confined to the simple powers which have been conceded to Canada and the Cape and I shall be surprised if there is any difficulty in the proposition I have made and which I now beg to submit in the following motion—

“That provision should be made by Imperial legislation, enabling the dependencies of the Empire, to enter into agreements of commercial reciprocity including the power of making differential tariffs with Great Britain, or with one another, without foreign nations being entitled to share therein.”

Hon. Mr. SUTOR.—In seconding the resolution, said : It will not be necessary for me at great length to address the conference. The Act of 1873, giving us power to arrange differential duties between one colony and another, although it has been so long in existence has never been acted upon so far as I am aware in the Australian Colonies. Still that is no reason why we should not ask to have the greater advantages extended to us, as proposed by Sir Henry Wrixon in his motion. If the Imperial authorities thought it desirable in 1873 to give to the Australian Colonies that power—and that Act is still in existence—surely it is desirable that that power should be extended to other great colonies which form part of the British dominions. We may specially allude to Canada and the Cape of Good Hope, and it must be apparent to all that one of our first duties in coming here is to endeavour to bring about the freest possible commercial relations between the Australian Colonies and other colonies. If we succeed in inducing the Imperial authorities to comply with our request it will be a great step in that direction. I have been instructed by my government to make inquiries into the conditions under which Canada and the Cape were permitted to enter into treaties with foreign powers. Unfortunately, before I left New South Wales, I could not find any papers on that subject, and I am sorry to say I am here not very well informed. We find there are no such conditions in the constitution of Canada or of the Cape of Good Hope, but apparently their treaties have been arranged in the way that this conference desires. If one of these two colonies desires a treaty with a foreign power, it makes an appeal to the Imperial authorities who really act for the colony, the treaty being in fact, a treaty between the Imperial Government and the colony interested. I think Sir Henry has wisely excluded such a proposal as that from his motion, and if he does not intend to move in that direction later on, in a distinct motion, I think perhaps he will permit me to ask the conference to appeal to the imperial authorities to assist us in the same direction they have assisted Canada and the Cape of Good Hope. Undoubtedly some of the leading men in the Australian Colonies have claimed that they should have the power of making treaties direct with a foreign nation. But I do not think that the great body of our public men in Australia would agree to such a proposition as that, because we all feel that so long as we belong to Great Britain we must make all our appeals to a foreign power through the proper authorities, and those authorities are the Home government. I cannot for a moment think that any of the great colonies would make any demand at any time to the imperial authorities, which would be thought by them to be unreasonable or unjust. I have very much pleasure, sir, in seconding the proposition made by Sir Henry Wrixon. I trust the matter will be settled to-day.

Sir HENRY DE VILLIERS.—I think I ought to remove a few misconceptions which appear in the speeches of both the mover and the seconder of this resolution. It seems to me that they are under the impression that the Cape has the full power of negotia-

ting treaties with other colonies and other states. In that respect there is no such power. The right is limited to this:—It must be a customs union with another state or colony in South Africa, and the second restriction is, that it shall apply only to goods imported overland, and not to goods imported over the sea. These are two restrictions which have been imposed and which have never yet been removed.

Hon. Mr. FOSTER.—It is entirely internal.

Sir HENRY DE VILLIERS.—It is entirely internal. It is not for goods over the sea, only for goods imported overland. There is another slight misconception in regard to what has been done. A commissioner was sent from the Cape of Good Hope to the Orange Free State to negotiate the terms of the treaty for a customs union. At present there is a customs union in force between the Cape of Good Hope and the Orange Free State.

Sir HENRY WRIXON.—Is that under an Imperial Act?

Sir HENRY DE VILLIERS.—It is a Colonial Act.

Sir CHARLES MILLS.—A bill came as usual from the Cape for the assent of Her Majesty. It was a bill authorizing the government of the Cape of Good Hope to enter into a customs union with the Orange Free State, and to give the Orange Free State products preferential duties over the duties imposed upon any other imports into the colony. When the bill came to England, Her Majesty's Government refused the Queen's assent, and for a long time there was a correspondence between the government of the colony and Downing Street with regard to this bill, and ultimately on the insertion of the words "overland only," the bill received the assent of Her Majesty. These conditions were put in and the Home Government assented to it.

Mr. LEE SMITH.—Has any difficulty been raised since with regard to that question?

Sir CHARLES MILLS.—No; no difficulties have been raised. If the Germans in the adjoining territory liked they could, of course, claim the same privileges as the Orange Free State, under the Zollverein treaty. I do not think they are likely to do so.

Sir HENRY WRIXON.—There is no authority or right of a dependency to contract for itself.

Sir CHARLES MILLS.—It is quite an exceptional case.

Hon. Mr. FITZGERALD.—Will Lord Jersey inform the conference the date of the treaties with the Zollverein and the Imperial Government?

Lord JERSEY.—1862 and 1865. The date of the treaties with Belgium is 1862 and with the German Zollverein 1865.

Hon. Mr. FITZGERALD.—How long a notice must be given? Is one or two years required?

Lord JERSEY.—Twelve months notice from either country. It may be given at any time.

Sir ADOLPHE CARON.—The stipulations referred to are the same as in all the commercial treaties.

Hon. Mr. FOSTER.—Sir Henry, is there not another contingency which might happen, which you must justify, following up your resolution? That resolution would allow a colony to enter into an agreement for commercial reciprocity with Great Britain or with any other colony, without foreign nations being entitled to share therein. If the Dominion of Canada and Australia entered into a treaty with each other, at differential rates, what would be the position of Great Britain as regards her trade?

Sir HENRY WRIXON.—It might be better to exclude that possible case which might arise.

Hon. Mr. FOSTER.—That would quite naturally arise as between our country and yours. There are certain articles we might send to you which Great Britain would not compete in, but there are others in which she would be a competitor.

Hon. Mr. FRASER.—I would fondly look forward to the day when the colonies, including Australia, could have one customs tariff. I would hear with a great deal of pleasure of the consummation of such a customs union with the other colonies. I think it would be one of the wisest steps that we, in Australia, could take, if we could receive the goods of Canada and the Cape free and *vice versa*. Therefore, I think if we are enabled to make a customs tariff or federate the colonies with one customs tariff extending over the whole of Australia, surely it would not be consistent to deprive us of the right. A tariff with Canada or the Cape, or with both parties, we are disposed to consider. I imagine that would be a very wise step indeed, which would be to the immense advantage of the colonies concerned, and I can hardly see where the conflicting interests with Great Britain would come in. The difficulty, I think, in the colonies would be, that the colonists would naturally say in making a treaty with Great Britain: "You admit the cheap labour of Great Britain as against the dearer labour of Australia or Canada" and that might be a difficulty that parliaments and politicians could not get over. They cannot perform impossibilities. However, the question ought to be quite clear, and I should imagine that we will be unanimous in the support of Sir Henry's motion.

Mr. LEE SMITH.—I think it would be unnecessary for any of us to say more than a word on this question. I apprehend there will be perfect unanimity as to the desirability and necessity of carrying the motion. It appears to me nothing could be done at this conference of any beneficial character unless Australasia is put exactly on the same footing as Canada and the Cape. I believe if we got the same power that these colonies have, it will be satisfactory to all of us, and therefore, I do not think we need spend much more time in discussing this, unless there are some technical points to be entered upon. I shall be very glad to support the motion.

Hon. Mr. FORREST.—I regret to say, I do not quite concur with those speakers who think that this is a subject that should be settled in half an hour or settled to-day. To my mind, I consider this the most momentous question that we have to discuss. It is momentous, particularly to Australia, from the very questions put by Mr. Foster. What effect is it going to have on the trade with the mother country?

Mr. LEE SMITH.—The motion would of course include the mother country.

Sir HENRY WRIXON.—The motion includes the mother country.

Hon. Mr. FORREST.—I do not say that the motion does not include the mother country. Let us, however, examine the question. Let each of us calmly consider what the probable effect might be if Great Britain's commercial treaties with foreign countries were terminated. Would not the probable effect be to decrease her foreign export trade, and if so, would not the colonies be injured? Anyway, Australia would be injured, for Australia is a great producing country and nearly all its surplus products go to England. Therefore if we cripple the trade of the mother country we cripple the trade of Australia. Where would we be if we could not send our products to Great Britain? Further, it is impossible to alter the fiscal policy of even the smallest country without producing results which were never intended. This is proved by experience, yet here we are proposing to

alter the fiscal policy of a great Empire; surely such a subject deserves the gravest thought and the most serious and careful deliberation; otherwise we may defeat ourselves. The consideration of this question should "give us pause" more particularly, so far as Australia is concerned. I have said before that Australia is a great producing country. For her age and her population, I do not think there is another country in the world which produces such a volume of raw material as she does. I will not refer to the other Australian Colonies, but I will mention two facts with respect to Queensland. We have only a population of about 400,000 in Queensland, yet in 1892 we exported over £9,200,000 worth of our products. In that year Great Britain's foreign trade (exclusive of the United States) amounted to £216,000,000. Now, England does not produce wool to any great extent, but she is a large exporter of woollen goods which are manufactured chiefly from Australian wool. She is also a large exporter of other goods manufactured by her from Australian raw material. Therefore, by England's assistance, Australia finds a market for her products in foreign countries, and therefore, I say, we must be careful not to do anything that might interfere with, or limit, or cripple her trade with foreign nations. Furthermore, England is a free trade country. I do not propose to give any opinion as to whether I think free trade is right, or whether protection is right. It is not from that point of view that I refer to the subject. I may say with respect to such matters, that I feel exactly as Carlyle did about isms. "I don't care," he said, "about your pan-theisms or your pot-theisms, what I want to get at is the truth." Well, England is a great manufacturing country, and she does not and cannot produce what she exports. Therefore, she must purchase the greater portion of the raw material and if she is to maintain her position she must obtain such material as cheaply as possible. She must also obtain the food for her people as cheaply as possible. I cannot, therefore, see how England could at present alter her free trade policy. With regard to all other countries, their policy cannot be relied on. To-day they might admit our goods. Then another ministry comes into power and to-morrow our goods are excluded. But the policy of England is continuous and, for the reasons stated, I think it will remain so, at any rate for some considerable time. Let us not lose the substance for the shadow and in this connection it is just as much our interest to foster and encourage the trade of England as it is to extend the trade of Australia, for in so doing we are merely fostering and extending our own trade. In fact we are helping ourselves. Our great products are wool, meat, hides, tallow, wheat, sugar, minerals, wine and fruit. We send all, or nearly all, our surplus to England, and what she does not consume she manufactures and distributes all over the world. I am informed that at this moment—and it bears on the motion before us, viz.: that of treaties with foreign nations—that Canada is arranging to admit French wines on favourable terms in consideration of getting Canadian productions admitted to France on similar conditions. How will such arrangements affect Australia?

Hon. Mr. FRASER.—That would come within the scope of your argument; I fail to see how this motion would come within the scope of your argument.

Hon. Mr. FORREST.—It certainly does. We want reciprocity with all the colonies, and if in the meantime we are excluded by another treaty from carrying that out I am afraid that we will be very much prejudiced.

Hon. Mr. FOSTER.—There is no barrier in that respect.

Hon. Mr. FORREST.—Coming back to the motion as it has been amended, and seeing that Canada and the Cape have to a limited extent got the powers that are asked for now, and as the motion is a little different from what it was first when proposed.

Sir HENRY WRIXON.—Slightly in the verbiage, but not the effect.

Hon. Mr. FORREST.—Well, as it appears now, I do not see much to object to ; but I will wind up almost as I commenced, by stating that it requires to be considered with the very gravest of care ; and more particularly with regard to the effect that anything of this sort is going to have on our great market. If the English market were closed to Australia, substantially we should be ruined. We would simply be able to grow for our own consumption, and beyond that, our productions would be utterly useless to us.

Mr. LEE SMITH.—Is it competent to any one who has spoken, to move an amendment for the purpose of his speaking again ?

Sir ADOLPHE CARON.—I am not aware of any amendment being moved now. There has been no amendment moved.

Mr. LEE SMITH.—Is it competent to any one who has spoken to move an amendment ?

Hon. Mr. PLAYFORD.—I imagine the man who represents a colony will have the same right to speak as where a colony is represented by three representatives, if they each speak. I claim the right to speak on three different occasions for South Australia. I think that is the position I ought to occupy.

Sir ADOLPHE CARON.—I think every latitude should be given to the gentlemen who wish to express their views on this question.

Mr. LEE SMITH.—A point has been raised by Mr. Forrest which I should like to contest, and I wish to know if I can speak again, and whether I shall put myself in order by moving an amendment for the purpose of speaking ? I am the sole representative of New Zealand.

Sir ADOLPHE CARON.—I am not aware of any other procedure to be taken.

Mr. LEE SMITH.—Having spoken, I am precluded from moving an amendment.

Sir ADOLPHE CARON.—Yes.

Hon. Mr. PLAYFORD.—At the Imperial conference people were allowed to speak twice on the same subject, and I think it should be conceded that we could have that privilege if we desired it. We want the fullest and freest discussion and want to arrive at the truth.

Sir ADOLPHE CARON.—I should imagine the procedure to be followed here would be that we should consider ourselves as if we were in Committee of the House. I think it will do away with the strict formality and be so much more convenient.

Hon. Mr. PLAYFORD.—I wish to point out to the Hon. William Forrest that he has evidently mistaken altogether the point of the resolution. From his standpoint it was that this resolution proposed we should have certain powers to enter into certain treaties with foreign countries, and then he argued from that, what effect that would have on the trade of Great Britain ; and asked if the trade of Great Britain were in any way injured, would not that injure the trade of the colonies eventually ? Now, as I understand this motion there is no such intention contained in it. The latter clause of the proposal absolutely and expressly excludes any reference to foreign powers whatever and only provides for giving an extended power which we in Australia possess among the Australian Colonies, to other British dependencies, including the mother country. Now, that is exactly all that it does ; so that the gentleman will see that the whole of the elaborate argument which he has built up in opposition to this clause really falls to the ground.

Hon. Mr. FORREST.—I was quite aware that it excluded foreign countries ; and if I am allowed to speak again I will show you it would have the effect I mentioned. I was quite aware of that.

Hon. Mr. PLAYFORD.—Then I do not know what was the need of using the argument. It reminds me of the song from the opera :

“ The flowers that bloom in the spring, tra, la,
Have nothing to do with the case.”

If the gentleman is aware of it, I do not see where the argument comes in. Then take his other argument, whether it is a wise thing that Canada and the Cape should have powers which we do not possess. He is wrong there. Neither Canada nor the Cape have any power that we do not possess at the present time. There is no special power given to Canada to enter into treaties with foreign powers except such powers as can be given to us. It has to be done through the Imperial Government ; it has to be done with their special consent. In the case of the Cape it is done by a special Act of Parliament passed in the Cape Colony and assented to by Her Majesty the Queen. Now, you have only to pass an Act giving power to enter into a treaty with New Caledonia, which is the nearest point of foreign territory, unless it happen to be a portion of New Guinea ; and it would be subject to the Queen's assent. I have no doubt the Governor would reserve a question of that sort for the signification of Her Majesty's pleasure ; and if the permission was given it would become an Act which the Imperial Government had assented to, and you would have precisely the same powers as were exercised by the Cape Colony. Take the case of Canada. She enters into a treaty with the United States of America through the English Ambassador with the consent of the government of the mother country. Queensland can do the same thing to-morrow if she likes ; and it was a mistaken notion that some of our people in Australia had that Cape Colony on the one hand, and Canada on the other, had certain powers given to them which were not given to the Australian Colonies. Those powers can be exercised with the consent of the Imperial Government to-morrow by all the various colonies of the British Empire. Now, the question of whether it is wise or whether it is well for Canada to enter into any special treaty with regard to the wine trade is a matter which I do not think we have here to discuss ; but still, as the gentleman alluded to it, I must say that if she enters into a special treaty with a foreign country like France to admit French wines at a lower rate of duty than wines from any other country are admitted, in consideration that France shall admit things from Canada at a lower duty——

Hon. Mr. FOSTER.—I wish to set that matter at rest ; we did not do such a thing. We simply agree in that draft treaty to allow certain wines to come in at a certain rate, and we can allow Australian wines to come in at the same rate. If we let Australian wines in at a lower rate than we charge France, under the treaty, we would not have to admit the French wines at that lower rate.

Hon. Mr. PLAYFORD.—Then I do not see what good the treaty is to France. The people of France would thank you for nothing. I think Mr. Foster must be wrong. There must be some special advantage you are giving French wines over the wines of other countries.

Hon. Mr. FOSTER.—Not the least ; we stated expressly that we would not bind ourselves not to allow wines from other countries to come in at the same rate ; and

they saved themselves by saying "If you give a better rate for that class of wines coming from any other power you must give us the same".

HON. MR. FRASER.—By treaty?

HON. MR. FOSTER.—No, *ipso facto*, as per the terms of this treaty.

SIR ADOLPHE CARON.—They claim we must give them the same rate.

HON. MR. PLAYFORD.—Immediately the treaty is entered into, the French wines will come in cheaper than the Spanish wines?

HON. MR. FOSTER.—Yes, until we choose to allow Spanish wines to come in at the same rate.

HON. MR. PLAYFORD.—You are giving that differential rate to France and you are not giving that differential rate to other parts of the country, including our own colonies. I do not know whether the mother country would be justified in permitting one of her dependencies to give a special rate to a foreign country which she is not giving to Her Majesty's Dominions. I think that is the fair position to take; and, as the mover of the motion has put it, he has left out all reference to the foreign countries, because he saw this objection would naturally flow. We have here an example, in the case of Canada, in which wine produced in Australia—and we are going to be one of the finest wine-producing countries under the sun, and we are going to produce the very finest quality of wine, which will be prevented from being introduced at as cheap a rate as French wines—here we have an example at once before our eyes, an object-lesson on the part of Canada, who is entering into a special treaty with France to allow French wines to come in at a certain rate; and she says she can allow other wines to come in at the same rate, but still at present the wines from France will go in at a cheaper rate. However, that is apart from the motion; and the mover has explained in very clear language why he eliminated that part of the subject from the discussion to-day. It is a difficult subject, and I do not want to be led into a long discussion; it is apart from the motion before us. We have in Australia the power to make special differential rates among ourselves. We have no power to make it outside of our bounds. We wish to extend that power to every part of Her Majesty's dominions. This resolution concisely sets that forth, and I have much pleasure in supporting it.

HON. MR. THYNNE.—I would like to point out that in the colonies, especially in Queensland, we do not feel ourselves in the position to do what was suggested, to pass an Act authorizing a preferential treaty with any country outside of Australia, and trust to it being accepted by the Imperial Parliament and obtain Her Majesty's consent, because we are in our courts in Australia held very tightly by the construction of our Constitution Act; and there is very little doubt that if any question arose on the payment of duties, if any customs question arose and came to be decided by the courts of justice, that the power of our Parliament to pass an Act which was outside the powers of its constitution would be disputed and probably denied by our Supreme Court. So that we come here asking that the difficulty which is in our way should be removed; and that is I think the sum and substance of Sir Henry Wrixon's motion—that is, that we may be enabled, without these impediments, to enter into arrangements with other portions of the British Empire; and I hope that Mr. Mackenzie Bowell's mission to Australia will result in the early introduction of reciprocal arrangements between our colonies and Canada. We come here not merely asking for a theoretical concession, but we are asking with a view to practical results in each of the colonies, and I have not the slightest doubt that the Imperial Government will, as soon as they

see our joint request, take the steps at the very earliest moment to comply with the request which we have made. Now, it might be said that the Belgian treaty and the Berlin treaty make it difficult for the Imperial Government to comply with our request; but we have already an Act affecting Australia, which has become law, passed in England since those two treaties were entered into—the Act of 1873 is subsequent in date to both the treaties which are at the present time in one of these reciprocal arrangements—and as the Imperial Government have seen their way to passing an Act in 1873 removing this restriction on the power of the Australian Colonies to make reciprocal arrangements in Australia, I have no doubt they would equally see their way to removing the restrictions against the making of such arrangements with British dependencies generally. Lord Jersey suggested the other day, as there was some question of the construction of the Constitution Act in that respect, as to whether the strict construction which we have put in Australia on the limits to our constitutional power are really regarded seriously in Great Britain. I do not know whether I understood him correctly.

Lord JERSEY.—You mean the Act of 1873?

Hon. Mr. THYNNE.—The Constitution Acts of the several colonies.

Lord JERSEY.—The Act of 1873, as I understand, authorized certain colonies in Australia to enter into tariff arrangements between each other, and went no further. It did not alter the previous Constitutional Act except in this direction. The Constitutional Act would not allow you to enter into a treaty with any colony or country, except those particular colonies which were mentioned in the Act of 1873.

Hon. Mr. THYNNE.—That is a concise statement of the position in Australia. There is no question that that is the strict interpretation of the Act. Of course one aspect of this motion is a very wide one; and one may assume that we are at once content to propose reciprocal arrangements with Great Britain and our different colonies. Every one of these reciprocal arrangements, I take it, will be matters of future policy for the consideration of the several governments. For myself I have very little expectation indeed, if any, that we shall ever have—I won't say ever—that we shall have for a considerable number of years the opportunity of entering into reciprocal arrangements with Great Britain, because to enter into these reciprocal arrangements to any large extent would involve a complete change of the policy of Great Britain. You would have to convince Great Britain that their policy up to the present, having free intercourse with the rest of the world, is wrong in some respects; and on the other hand we would each of us have some difficulty in throwing open our markets absolutely free to England; so that there would be a complete change of policy on both sides before we could see a general system of free trade between Great Britain and the colonies. But there is not any practical difficulty in entering into reciprocal treaties with dependencies who are more or less unlike in their productions. As an illustration you have in Canada a very large source of fish supplies as an article of food. We have practically nothing to correspond with it. We have in Australia the means of supplying you with other goods in exchange, and if there was a slight preference given in Australia to Canadian fish products, and a slight preference in Canada to some of our products in Australia, and an interchange in those limited articles of commerce, the result would be a benefit to both sides, without doing any serious injury to either country. I may say in our colony we are very anxious that this change should be made, and that we should have the power of making the reciprocal arrangements, and

after the unanimous way in which the motion has been received, I think there is very little to be said. I quite sympathize with Mr. Forrest's feeling that it would be very difficult indeed to touch tariff business without running the risk of producing effects which were never contemplated, and I think he deserves credit for having pointed out that in looking at these matters we must go a good deal below the surface. We do not know what effect a general acceptance or general inaction upon this matter of reciprocal arrangements may have in the course of trade between Great Britain and other countries; and I think each and all of us sympathize with the great desire that England, as the market of the world, should not lose in any way by this. We seek to save time and space in making our arrangements between ourselves, instead of sending all our goods to England and having them distributed amongst us from there. I do not believe that the extent to which we propose to have reciprocal arrangements will affect the trade of England, but I think on the other hand it would increase it.

HON. MR. FORREST.—I would like to add a word or two, to prevent misconception, because I can see that what I have said has been misconceived. With regard to the motion generally I would support it; but there was something I did not say and that I did not want to say—I rather wished it to be inferred for it sometimes happens that the very thing we wish to avoid is brought about by suggesting its possibility. I pointed out that England's export trade in 1892 was £216,000,000; in that I did not include the export trade to the United States, because in giving the figures England classifies the United States separately. The export trade to the colonies comes to £93,000,000 and to the United States £41,000,000; but you will see the greatest bulk of England's trade is with foreign countries with whom she has treaties; and England's trade means our trade, and if we are not careful it may cause these nations to terminate these treaties at 12 months; and what I would like to have considered is this: Is it advisable to put a formal motion of this kind before the world, or is it advisable to try and get what we want quietly as did Canada and the Cape, and thus endeavour to avoid the antagonism of foreign states. That is what I want to convey; and I think really this is worthy of consideration; and I am very glad my friend Mr. Thynne was able to partially explain it, but I wished to give the further explanation. The suspension of the treaties of the foreign nations with England might limit her trade and therefore limit our trade.

MR. LEE SMITH.—I am glad to see that the gentleman has brushed away the cobwebs which the first speaker threw round my argument. He said he thought there was very great danger in carrying out this motion. I do not agree with what has been said as to the trade policy of England. I think British trade has been built up by the principles of free trade; and I look upon it that without free trade the British nation could not exist and carry on the enormous amount of business for the benefit of the country; but I apprehend this question has nothing to do with free trade. We are here discussing Sir Henry Wrixon's motion, which is clear, distinct and definite and does not involve any such risk as Mr. Forrest has supposed is involved in it. Now, what are we proposing to do? We are proposing to include Canada in the arrangements we already are able to make between ourselves in Australia and New Zealand, but which I am sorry to say we have not hitherto put into force; but that does not prevent us from making some reciprocal arrangements with Canada, because there will be several things in which we will very possibly reciprocate with Canada, which we have not in Australia. Then with regard to Great Britain, I do not see how we can commit Great Britain to it. We only sug-

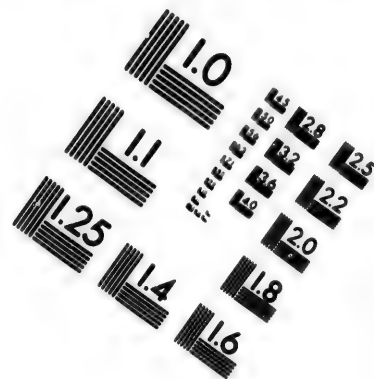
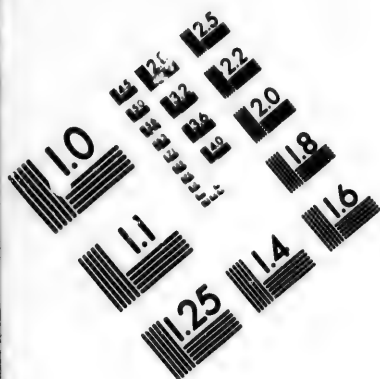
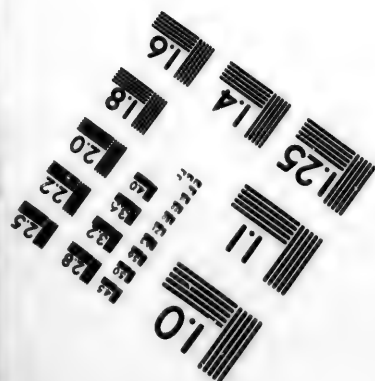
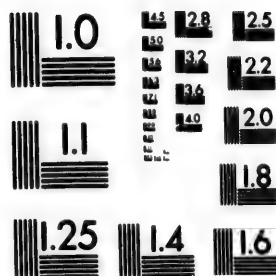


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gest it; and if Great Britain, who knows her own interests far better than we do, sees there is this danger, she will not carry out our suggestion, and nothing will be done; and therefore there is no need at all to have any such fear as Mr. Forrest appears to have that we shall offend a foreign nation if we in this room recommend a thing which Great Britain will not carry out unless she sees it is to her advantage and involves no risk. I think it is clear we should carry the motion at once. We can do no good by deferring it. Why should we not at once carry out proposals for the immediate carrying into effect of that which we already have in Australasia and which we have come all the way on purpose to obtain with Canada?

HON. MR. FOSTER.—This is not a question which primarily affects Canada so much as it does the Australian colonies. In common with most of the speakers around the table, I do not see any objection to the passage of a resolution of this kind. I do not see any complications which can possibly arise out of the passage of this, confined, as it is, to the one family—that is to the colonies and to the mother country. A great deal of the difficulty that is met in larger trade extensions, I suppose on account of the treaties of 1862-65, does not stand in the way of arrangements which are made or which can be made under a resolution of this kind; consequently that difficulty does not meet us in the same way as it would if the larger extension was looked at. Some points have been raised which were not entirely germane to the resolution that we have had under consideration, but I am rather glad that they were raised. We may confine ourselves strictly to the parliamentary groove in discussing points, or we may make the discussion somewhat free and easy with great benefit to ourselves; and I was very glad that the other two points were brought up; and I should just like to see what our position here in the family is in reference to the matter. First with reference to the power we have of negotiating treaties for ourselves in Canada. It is rightly stated that we have no parliamentary authority; it is simply a wise extension of that accommodating and reasonable policy that the British Government have always carried out. When we came to believe that a treaty would be an advantage between us and the United States, in 1854, and when the British Government became convinced that it would be of advantage to us as compensation for certain privileges of which we had been deprived previously, and the idea came up of having a treaty between a part of the Empire, and the United States—Canada to wit: Great Britain undertook the negotiation of that, but as Canada was the dependency almost entirely interested, Great Britain sensibly enough gave way to our request that our representative should be present to assist the British Ambassador in the negotiation of that treaty. That was the beginning of it, and this course has been judiciously followed. If we wish to negotiate a treaty with Spain that in some respects would be beneficial to us, we simply make our request to have some person we name, associated with their ambassador, and whilst their ambassador is materially the prime mover, the negotiations are chiefly carried on by our plenipotentiary. It is an Imperial treaty.

SIR HENRY WRIXON.—A treaty between Great Britain and Spain.

HON. MR. FOSTER.—Yes, applicable to Canada. And in all these cases, the treaties are referable again to our parliament, so it is just an extension of the common sense business principle which is given to us, and which I have not the least doubt, Great Britain will give to any Australian colony that requests it. Again I am of the opinion that so long as the colonial relation exists the power to negotiate our own treaties, while we are a part of the Empire, is undesirable and impossible. I think

it would be the death blow to unity. It was stated that there are not many in Australia or the Australasian Colonies who would be in favour of such a view. Unfortunately, we have quite a number in this country who urge that view, and we have had the advantage of taking it up in Parliament, and having it discussed on several occasions, and on all these occasions the overwhelming sense of the country and parliament has been that it would destroy the idea of imperial unity and the relation which has existed between the colonies and the mother country, and that if we chose to throw aside the protection and advantage that we get from the mother country, we can exercise the power to negotiate our own treaties, but if we wish to keep the first, then we had better take the sensible plan of having our treaties negotiated as they are now. What would take place if we had the power? The very moment that we had the right conferred upon us to negotiate a treaty we would exercise that right with say the United States of America. But the very moment that we sat down to negotiate a treaty with the United States of America, what would take place? It would be said—"you give us certain duties on this, and we will give you certain duties on that, but what we give to you will be exclusively for you and what you give to us must be exclusively for us." What does that mean? Immediately we would have to discriminate against Great Britain herself, and the very moment we did that, and the trade of Great Britain were greatly affected by it, it would raise a question with the British Government and what would be the result? Immediate collision. If once the parliament of a great dependency as Canada or Australia had decided that it would do so and so for the best interests of the country it could not recede from that position, and consequently there would be collision. I am entirely at one and so are the people of Canada, as well as the Parliament of Canada, with the sentiment that as we are all parts of one country and we are under that one Imperial Government, the imperial power must negotiate with regard to these treaties, but at the same time we have all the freedom that is necessary and all the voice that we could possibly desire. Now with reference to this, I merely moot one point, and although it is not germane to this resolution, and although the resolution does not cover it, I will moot the point once more, in order that it may be discussed some time during the session. I suppose we are all at one that if we could we would like to see an arrangement made by which all the colonies and the mother country could trade with each other on better terms than with foreign countries. That is where we are. There is no doubt about that; that, there should be imperial trade on the basis of imperial favour. There is no possibility for that so long as the mother country has no duties upon products. The time may come when we can negotiate a commercial reciprocity treaty with Great Britain. That time must certainly be deferred, however, until Great Britain puts duties upon goods which come into her country, on which she would give us some form of concession. No one knows what may happen, but taking that for possible we would all like to have reciprocity. Suppose then we were to make a proposition to Great Britain to put 5 per cent upon food stuffs that the colonies most largely supply as against all foreign countries, and that we would give her a percentage on what she would manufacture and send to us. Suppose we made that proposition. It could not be carried out to-day, however much we wanted it; but is it not possible for us, and is it not possible for Great Britain to grant to the colonies, which are not free trade and which have taken the principle of protection for revenue purposes or otherwise the right to

reciprocal treaties with each other? Is it not possible for all these colonies to give a preferential rate, one in favour of the other, and trade under an imperial trade union, or an intercolonial trade union? While that may be possible, there are a good many elements that enter into it, and one of the elements is, our manufacturing goods which Great Britain herself produces. All the colonies are not equally situated. Some of the colonies are simply producers of the raw material and they are interested, of course, in getting the raw material into the best and easiest market possible. Other colonies are more advanced—take it as a line of progression—and they are not only producers of raw products but they are makers of the raw material into manufactured products. Now, for instance, Canada makes largely of agricultural implements. She has a field for these agricultural implements in your country, (Australia) and it is one of the things we are looking forward to when we come down to the practical part of the business, to see whether they cannot be made one of the weights in the scale of interchange. The point I wish to bring forward for thought is then this:—If the colonies make preferential arrangements with each other, and Great Britain cannot accede to the wider imperial reciprocity, what shall be the position of her competing goods? Shall she have advantages for which she has given no countervailing compensation? Then there is another point which Mr. Playford spoke of with reference to wine. My friend was a little unfair. He dislikes the idea of giving France what you will not give to Australia. That looks unfair on the face of it. But my good friend, France pays us for giving her that. Will not you pay us for giving you a similar concession? What are you here for? To make trade relations I take it. There are some things you want to get into our markets. We will give you the chance of something you want to get into our market if you give us a chance in your market. You surely would not want us to give to you what France had bought from us, and if France proposes to give us canned goods and other things, the list of which is in the Treaty, at the minimum rate, and we pay her—for it is all a financial transaction after all—and we pay her by taking 30 per cent off certain kinds of wine, why would you ask us to take 30 per cent off your wines and not give us something on our agricultural implements? We do not tie ourselves to France.

Hon. Mr. FRASER.—We thought you had.

Hon. Mr. FOSTER.—We did not. We carefully avoided that. We are to-day in the position that we can give Australia thirty per cent or more as we please off the same goods, if you allow us something in return therefor.

Hon. Mr. PLAYFORD.—Your principle is an absolutely vicious one. If Great Britain did anything of that sort in regard to France and did not do the same for the colonies, would never hear the last of it.

Sir HENRY DE VILLIERS.—There is a telegram from Sir Charles Tupper in which he says, that it is clearly understood that preferences given to France by this treaty, would not interfere with preferential arrangement with other colonies or any of the colonies.

Hon. Mr. FOSTER.—I do not know that; Canada is not debarred by that treaty from making any arrangements with the other colonies which she may think wise even to giving a better rate on wines than was accorded to France in the treaty.

Sir HENRY DE VILLIERS.—I have a very strong impression there is a telegram in the proceedings.

Hon. Mr. FOSTER.—I just want to argue the point a moment with Mr. Playford. I think, I heard of a gentleman saying that all this was a matter of business, that this Intercolonial trade was a matter of dollars and cents. Now, my hon. friend goes back to sentiment, and he says: That if France pays you dollars and cents for a certain concession, there is another dependency of Great Britain in the Australian Colonies who has paid Canada nothing yet, but for the sake of sentiment it ought to get the advantage the same as France did by paying for it.

Hon. Mr. PLAYFORD.—Supposing Great Britain was to enter into a treaty with France or any other foreign country, in which she admitted French wines cheaper than she would admit wine from the colonies, she would sacrifice us to France.

Hon. Mr. FOSTER.—That could be stretched to a certain extent, and it might be stretched too far. Great Britain might say in answer: You give Canada an equivalent as France did, and you will get exactly the same benefit. I am speaking on business principles only. There is another principle. It is a question—and I am not averse to saying it right here—it is a question whether we would, when that treaty comes to be ratified, insist on keeping a single British dependency out of it. However, Mr. Playford, we think they ought to consider it as a matter of fair exchange and give us just as much as if we had never made a treaty with France. I am disposed to think they will do that. We are not shut out by that treaty from giving the same advantages to any colony. I am in favour of this, and I emphasize the position of Canada. Now as to the points taken by Mr. Forrest. He seemed to fear that in some way an arrangement such as proposed looking to a wide reciprocity might affect the price of British imports, chiefly of raw material and so touch on Britain's world-wide supply of manufactured goods. But it is clear that an arrangement might be made which would but slightly, if at all, affect these great staple raw materials. But business is business, and outside of all sentiment, we in the colonies, as they in Great Britain, must press for what is beneficial to us in a business mind of view. Great Britain has common sense to give way as far as she can for the good of her colonies, providing it does not hurt her too much. She has already told us time and again she is prepared to do that and she has done it to some extent in our treaties with other nations. The subject matter of the resolution is chiefly for the Australian Colonies, but it is one that also affects us and all the other colonies, and I am heartily in favour of the resolution, and without its passage our meeting would have missed one of its chief objects, the encouragement of intercolonial trade.

Hon. Mr. FITZGERALD.—It appears to me that Canada is interested in this motion. I cannot see how any commercial reciprocity will result between Canada and the Australian Colonies unless this motion be adopted. Therefore, if Canada says she can gain anything by drawing together the bonds of commercial union more closely than they at present exist, it is essential. Without this resolution, we are at present incapable of coming to any conclusion. Our limits are now not quite as strict as the Cape, but they are on all fours with Canada as regards differential tariffs between our own colonies. A great deal of light has been thrown on the subject by what we have heard from Sir Henry de Villiers. I understood that the Cape stood on the same lines as Canada, and it certainly came as a surprise to me that the Cape in her intercolonial arrangements is limited to one state, the Free State of Orange.

Sir CHARLES MILLS.—We are not limited at all. We can make a union with any part of Africa to-morrow but we have to pass a new Act and get the imperial consent.

Hon. Mr. FITZGERALD.—My hon. friend offers this notice in a limited sense so as to prevent the difficulty to which Mr. Foster has ably referred. We had a long and animated debate at the Confederation Convention, in Sydney, in 1891, as to this point, and the colonies were distinctly of the same opinion as Mr. Foster—that the unity of the Empire would receive a blow if any power were given in the Confederation Bill, allowing them to make special treaties. Is not that in accordance with Lord Jersey's memory?

Hon. Mr. FORREST.—I think your memory is quite right.

Hon. Mr. FITZGERALD.—I know we are quite in unison on that point. If we asked this power of extension of our commercial relations, as set down in the resolution, I think it is sufficient to pass a unanimous vote is favour of this resolution. The present limitation of this motion might be regarded as too severe, if we had not been reminded as we have been by what we heard to-day and what we know, in fact, that there is the utmost desire on the part of the mother country and her responsible advisers to see that in any proposal emanating from the colonies—if it does not do injustice to the mother country—the colonies obtained the concession asked for if the colonies consider it would be to their commercial and to the imperial advantage. When England is in that position—and she has never been otherwise since new ideas prevailed at the Colonial Office—when she really regards as far as commerce was concerned her colonial policy as an imperial policy, we can rely upon the present incentives as proved by the case of Canada, that if we need to make any treaty similar to that, she will give us equal justice; because the imperial authorities will adopt in our case, exactly the same position, as that adopted for Canada, and appoint the same treaty representatives from our country, with plenary powers to act in unison with the ambassadors of the old country, in order to ask for and to obtain that treaty. There is no necessity for our demanding special powers. We can place reliance in the interest that England takes in her colonies and not ask any more than they are willing now, almost voluntarily, to give us. I apprehend that there can be no differences of opinion, and that we can unanimously agree in this motion, wisely limited as it is in its range and volume, and that as it now stands, there can be no real practical objection to it.

Sir ADOLPHE CARON.—I merely wish to say one word before the question is put. I view the question from this standpoint: I consider that without this resolution being passed it will be difficult for me to conceive the usefulness of this conference. It may be as my colleague and friend has stated that Australia may possibly be more interested than Canada. However, that is a question that I do not wish to discuss. I consider that the interests of Canada are just as large as it is possible for them to be in connection with a resolution of this kind. I fully agree, also, that a demand which is made by Australia when submitted to the Imperial Government will be received as well and as favourably as the demand of Canada would be received, when Canada wished, as a component part of the Empire, to strengthen the Empire, by making Canada as prosperous and successful in commercial enterprise as statesmanship could make a country—I consider that by doing so, you are helping the Empire just as Australia would help the Empire, by entering into commercial enterprises, which will strengthen Australia and make the colonies there more powerful than they are at present. I believe that this resolution is properly at the beginning of our very important work. I believe that without it the conference, which has brought within the capital of Canada representatives of the great colonies, beyond the usual meeting and shaking of

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hands could not be a success unless we all agreed to the passing of this resolution. I do not wish to enter into the question more fully, because it has been discussed from all its different standpoints, and I think there can be no doubt, that it is indispensably necessary that we should declare the resolution carried, and I think it will be received by the Imperial Government as the very best work we have done.

Hon. Mr. FITZGERALD.—May I ask Mr. Foster, could not Belgium and Germany, on account of the existing treaties with the United Kingdom, demand similar advantages arising from any differential tariff arrangements that may be made between any colony and any foreign country.

Hon. Mr. FOSTER.—The most-favoured-nation clause has been so interpreted, but the point is in dispute.

Hon. Mr. FITZGERALD.—I would ask also, whether there should not be some negotiations opened between this conference and the mother country as to giving notice to Belgium and Germany for the cessation of this portion of the treaty, because Germany and Belgium could come in upon the terms that any colony may make between the mother country and itself. Supposing Belgium, a wine producing, country was to demand that her wines should come in here. She might produce her wines cheaper than France, and might reduce the minimum advantages France might have. France would say, from the existence of this treaty between England and Belgium, to which she was not a party; "we allow your manufactures to come into France at a lower rate, but the advantage we expect to derive in your country is entirely nullified by the treaty between England and Belgium, because you allow Belgium the privileges of the most-favoured-nation clause. Now, I concede that during the continuance of this treaty, in that aspect of it, it may really be extremely difficult to make similar treaties to the one Canada is making with France.

Hon. Mr. FOSTER.—I quite see what my friend means. I think he is quite right in his contention. The question he asked me was whether Belgium or Germany, under the present treaty, could not ask the same treatment as the treaty gives France from Canada. There is no doubt that they can; but at first, the idea I thought you had was as to whether, if Australia and Canada made a reciprocal arrangement between each other, the most-favoured-treaty nations might not ask the same advantages. I do not think they could, but it is clear that they can so far as the case with France is concerned. The question as to the termination of those treaties I have no doubt will be brought up before the conference closes; we have passed a resolution of both Houses of Parliament asking their abolition so far as they bind us; but of course, it is one matter to ask and another matter to get.

Hon. Mr. THYNNE.—The point raised by Mr. Fitzgerald is not a substantial one, because the people of France having made a treaty with full information of the treaties of Belgium and of Berlin, and have no cause to complain of any of the consequences of those treaties; and also because the goods about which the different colonies are likely to enter into reciprocal arrangements are goods which neither Germany nor Belgium are likely to produce, and no question is ever likely to arise about them.

Sir CHARLES MILLS.—May I ask whether, in the event of our admitting your agricultural implements and your lumber duty free, there is anything in your treaty with France that would prevent your allowing our wine to come in duty free here?

Hon. Mr. FOSTER.—Yes. If we let other light wines in free, the light wines would have to come in free from France.

HON. THOMAS PLAYFORD.—That is just the trouble.

SIR HENRY DE VILLIERS.—Here is a telegram from "Bowell to Tupper," 10th February, 1893.—"Cheese was included in proposition before us upon which telegram of 12th January was based, treaty being ratified by England for Canada alone; would not France consider her a third power in case of preferential treatment?" The answer from "Tupper to Bowell" reads—"Treaty being made by England. The term 'third power' cannot include Great Britain or any British colony or possession. This treaty therefore in no way interferes with preferential arrangements between Canada and Great Britain or any British colony."

SIR CHARLES MILLS.—That is an answer to my question.

HON. MR. FOSTER.—You had reference to a colony?

SIR CHARLES MILLS.—Yes.

HON. MR. FOSTER.—Then I mistook your question. Any arrangements between the parts of the British Empire and between the colonies of the British Empire are free from the operation of the French treaty. I took your question to relate to a foreign country.

LORD JERSEY.—I think the interpretation at home upon the matter is this, that domestic arrangements between any portion of the British Empire are not affected by the Belgium or Zollverein treaty; that it might be possible (if the statutory powers were given) for Queensland or New South Wales to make arrangements with Canada without thinking of those two treaties, but if they went further and claimed power to make arrangements with Spain or France, it would come in. We draw a distinction between domestic relations and foreign nations.

HON. MR. FORREST.—Do foreign countries accept that interpretation?

LORD JERSEY.—I cannot tell you if they accept it.

HON. MR. FOSTER.—Sir Michael Hicks-Beach and Mr. Arthur Balfour have both stated this view of the matter in Parliament, viz.: that the treaties of 1862 and 1865 do not include preferential arrangements as between the colonies.

HON. MR. SUTTON.—In connection with the treaties which the imperial authority takes in hand for Canada, does Sir Charles Tupper act directly for you, or does he sign the treaty representing the Imperial Government rather than Canada?

HON. MR. FOSTER.—He signs the treaty representing the Imperial Government.

HON. MR. SUTTON.—He is a plenipotentiary for the occasion.

HON. MR. FOSTER.—Yes.

SIR HENRY DE VILLIERS.—I refer to the 15th article of the treaty with Belgium; it is very short and concise, and we must consider the terms of that before we pass the resolution:—

Articles the produce or manufacture of Belgium shall not be subject in the British colonies to other or higher duties than those which are or may be imposed upon similar articles of British origin.

If "British origin" here means from Great Britain alone, then it is clear we have full power to negotiate amongst the colonies, but we could not enter into a treaty with Great Britain; Great Britain would be excluded, but the colonies would not be; but if the words "British origin" refers to everything that comes from the British colonies, then I have no doubt this 15th clause stands in the way. Everything depends on the words "British origin"; if it is only Great Britain; Great Britain cannot enter into those treaties, and if it is the British colonies we cannot enter into it.

Hon. Mr. PLAYFORD.—British origin means anything grown on British soil.

Sir HENRY DE VILLIERS.—The effect of that would be to prevent this preferential treaty with Great Britain.

Hon. Mr. FITZGERALD.—It may perhaps be useful to the conference to know that I give notice that I intend to submit on Monday a motion asking that this conference shall request the British Empire to abrogate these treaties at the earliest time consistent with fairness—and at that time the discussion started now by Sir Henry de Villiers will be more appropriate than at present.

Hon. Mr. FOSTER.—It is a very important point. I have simply taken my reading of it from the clauses of the treaty and from statements made in the British Parliament, and the context of the treaty, and I believe it to be correct.

Sir HENRY WRIXON.—I think we are pretty well agreed on the principle of this motion. Would it be wise for us to determine absolutely any of those difficult questions which may be raised? We only affirm the desirability of this power being given, and the Imperial Government will take care to work it out in the proper way. If they have to delay for a year to give notice of the termination of the treaty, they may have to do it, or to comply with any other condition of the treaty. We can only indicate the desire that this power shall be given to us, but we by no means dictate when it shall be done. I would not like to commit ourselves either way. I leave that entirely to be worked out. We have had a most useful discussion and I think a most instructive one, and I hope that will be my excuse for having introduced two topics which were not strictly in my motion, because strictly I should not have gone into those other two topics or asked the conference to deal with them; but I hope the conference will excuse me, not only on account of the succeeding discussion we have had, but it is also necessary sometimes to explain why you do not deal with things as well as those you deal with, and as I expressly kept those points from my motion, I called attention to them to show why I did not deal with them. That was my reason for mentioning them, and I think it led to a most instructive discussion; but as far as the motion itself goes, of course it has nothing to do with them.

Sir ADOLPHE CARON.—The resolution reads—

“Moved by Sir Henry Wrixon, seconded by Mr. Suttor, That provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity, including power of making differential tariff with Great Britain or with one another.”

Hon. THOMAS PLAYFORD.—You leave out the words “Without foreign nations being entitled to share therein.”

Sir HENRY WRIXON.—Yes.

Hon. Mr. FOSTER.—I do not think the words are necessary.

Sir HENRY WRIXON.—It is not necessary. If you give power to enter into a commercial treaty it covers the whole thing.

The motion being put to the conference was carried.

ABROGATION OF TREATIES.

Hon. Mr. FITZGERALD.—I beg to give notice that at next day of meeting I will move that this conference is of opinion that the existing treaties between Great Britain and the German Zollverein and with the Kingdom of Belgium should be denounced and terminated and that Her Majesty's Government be requested to take the necessary steps with this object.

Sir HENRY DE VILLIERS.—As that is so intimately connected with the one just passed, and as it would be possible to amend the motion, might there not be a unanimous vote on the motion? We are all agreed on the substance of the motion, but as it stands I should like to propose some amendments. I was not aware it was being put until after it was passed, and I should like to move some verbal amendments, and I thought that resolution of which notice has been given might be made to fit in with the one already passed. Unless it is unanimous it cannot be done. We are all agreed on the subject; it is only the words I want amended.

Hon. Mr. FOSTER.—I should like to suggest that that might be more implicit, and read: "So far as relates to the most-favoured-nation clauses"—or something like that.

Hon. Mr. FITZGERALD.—That is exactly what is in my mind and I should be glad to adopt any suggestion which would give effect to that. I shall amend it in that direction.

Sir ADOLPHE CARON.—Do I understand that you desire that this notice of motion should be included in the resolution which was passed to-day and considered as forming part of that resolution?

Sir HENRY DE VILLIERS.—What I should like, if we could possibly have cancelled the resolution, is to leave the matter open for slight verbal amendments, and in that case we might incorporate that one with the one already passed, but as I said before, it must be unanimous. If we all agree we can cancel it, but if not we cannot.

Sir ADOLPHE CARON.—I do not see any objection to keeping the two subjects separate. They are very much connected, but as the resolution under discussion has now passed, I think I would not interfere with it, and when the time comes to take up this matter it will not complicate matters to discuss it separately.

Hon. Mr. SUTTOR.—I understand the hon. gentleman wants to make some verbal amendment to the resolution just carried. Surely we can extend that privilege to him. First, he suggested that Mr. Fitzgerald's resolution might be changed, and then he said he would like to make some verbal amendment to the resolution just passed.

Sir ADOLPHE CARON.—It is irregular to change a resolution just passed, but it is left to the conference.

Hon. Mr. FOSTER.—If Sir Henry can improve it we would have no objection, I suppose.

Sir HENRY WRIXON.—I should be quite glad to accept any proper amendment, but it should be put in first.

Hon. Mr. SUTTOR.—If we are going to make any verbal amendments it should be done now.

Sir ADOLPHE CARON.—Any suggestion or amendment which Sir Henry de Villiers would wish to make must be the subject matter of further consideration because the course which has been taken is final.

Sir HENRY WRIXON.—I think we had better leave it to the Colonial Office to do as they think proper.

Hon. Mr. FITZGERALD.—The notice has been altered so as to include these words "As their conditions will permit so far as regards the most-favoured-nation clauses."

Colonial Conference.

Sir ADOLPHE CARON.—The notice reads :—

"That on the next day of meeting I will move that this conference is of the opinion that the existing treaties between Great Britain and the German Zollverein and with the Kingdom of Belgium should be denounced and terminated as early as their conditions will permit so far as regards the most-favoured-nations clauses, that Her Majesty's Government be requested to take the necessary steps on the subject."

Sir HENRY DE VILLIERS.—The effect of my amendment will be to alter the resolution we arrived at. The voting came upon me by surprise, and if I had known that we were coming to a vote without any remarks from the imperial delegate, I would have moved the resolution. My resolution which I intend to move will include both. It will be wide and it will enable the Imperial Parliament to adopt such portion of it as it may think practical. I give notice of a resolution :—

"That in the opinion of this conference any obstacles which may at present exist to the power of the self-governing dependencies of the Empire to enter into agreements of commercial reciprocity with each other or with Great Britain should be removed by imperial legislation or otherwise."

Now "otherwise" will include every thing—will include any treaties which stand in its way ; it will be one comprehensive sweeping resolution which will embrace everything, and which will meet many difficulties which I have heard raised against this resolution. I have confined it to self-governing dependencies.

The conference adjourned at 1.40 to meet on Monday, 2nd July, at 9.30 a.m.

DOUGLAS STEWART,

J. LAMBERT PAYNE,

Joint Secretaries of the Conference.

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Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, MONDAY, July 2nd, 1894.

The conference resumed at 9.30 a.m., SIR ADOLPHE CARON, Vice-President in the Chair.

DELEGATES PRESENT :

Imperial Government—THE RIGHT HON. THE EARL OF JERSEY P.C., G.C.M.G.

Canada—HON. SIR ADOLPHE CARON, P.C., K.C.M.G.

HON. GEORGE E. FOSTER, P.C., LL.D.

SANDFORD FLEMING, Esq., C.M.G.

Tasmania—HON. NICHOLAS FITZGERALD.

New South Wales—Hon. F. B. SUTTOR.

Cape of Good Hope—SIR HENRY DE VILLIERS, K.C.M.G.

SIR CHARLES MILLS, K.C.M.G., C.B.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—MR. A. LEE SMITH.

Victoria—SIR HENRY WRIXON, K.C.M.G.

HON. NICHOLAS FITZGERALD, M.L.C.

HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.

HON. WILLIAM FORREST, M.L.C.

TELEGRAM FROM LORD ROSEBERY.

SIR ADOLPHE CARON.—I have the pleasure of reading to you a telegram addressed to Hon. Mackenzie Bowell, and signed by Lord Rosebery :—

ERSOM, 3rd of June, 1894.

I am anxious to express to you as the President the sympathy and interest with which I am watching the proceedings of the conference, which should be of such happy augury for the future of the Empire.

ROSEBERY.

THE PACIFIC CABLE.

Hon. Mr. SUTTOR.—Before moving the resolution of which I have given notice, I should like to say it has been represented to me by one of my friends at the conference, that perhaps it may be as well if I permitted Mr. Sandford Fleming to read some statement to the conference before I move the resolution. But I feel that if I move this resolution I must be responsible for it ; and take the responsibility of it by defending my action in speech. If Mr. Sandford Fleming wishes to make some statement before any other member of the conference speaks, I am quite willing to withdraw my resolution and allow any other member to take it up, but if it is to stand in my name I must support it by speaking to it. I am only too happy to meet Mr. Fleming's views in any way I can, but I do not feel that I can move the resolution *pro forma* and allow some other gentleman to speak before I do.

Sir ADOLPHE CARON.—If you move your resolution you may speak to it.

Hon. Mr. SUTTOR.—Yes, but I have been told that I should move it *pro forma*, and let Mr. Fleming explain.

Sir ADOLPHE CARON.—Oh, no.

Hon. Mr. SUTTOR.—I am quite willing to let him speak first, if he moves the motion.

Hon. Mr. FRASER.—That was never intended. Mr. Bowell requested Mr. Fleming to prepare a statement on this subject, and clear away all the cobwebs and put it on such a footing that it would make it easy for the various members to understand the question, and I merely suggested to my friend Mr. Suttor whether it would not be perhaps as well for Mr. Fleming to read that document, and not to propose a motion. Mr. Fleming has made no request at all. He is quite willing that Mr. Suttor should proceed with the motion.

Hon. Mr. SUTTOR.—As it is the wish of the conference I shall move the resolution standing in my name. I beg to move :—

"That in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable under sole British control between the Dominion of Canada and Australasia."

In doing this I desire to say that this resolution is framed so that we shall in the first instance consider the proposition in as general a way as is convenient and possible to do; and although I move this resolution in this form, of course, it is not to be considered that I pledge my government to support the cable, whatever the cost may be, or whatever the conditions under which it is to be constructed. The members of the conference all feel that a good deal of light will be thrown on the subject now before us during this debate, and I am moving the resolution chiefly with a view of inviting the conference to consider the position and whether this proposition to connect Canada with the Australasian Colonies by cable is or is not practicable. Now, in dealing with the matter I desire, as succinctly as I can, to place before the members of the conference an historical sketch of what has been done in connection with this project from the date of the conference held in London, in 1887, until the present time, and I shall not detain them at greater length than is absolutely necessary. I find this proposition first took definite shape when the conference sat in London, in 1887, on which occasion one of the representatives from Canada moved two resolutions which were carried. The first resolution adopted was :

"That the connection recently formed through Canada from the Atlantic to the Pacific by railway and telegraph opens a new and alternative line of imperial connection over the high seas and through British possessions, which promises to be one of great value alike in naval, military, commercial, and political aspects."

The second resolution deals more directly with the matter we are now considering, and it is in the following words :—

"That the connection of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey."

Now, although a resolution was carried, as I have already said, in the conference as far back as 1887, I regret that the position has not since advanced beyond that stage. Although that conference in very explicit terms expressed a wish that the doubt if there were any, as to the practicability of establishing this cable, should be set at rest with as little delay as possible, still I fear that doubt still exists. After that resolution was carried, or about the same time—I am not quite sure as to whether

it was during the sitting of the conference, or after or before, but at any rate it was about that time—Canada itself made an appeal to the Imperial Government, and offered the use of a vessel with which to carry out the necessary survey between Vancouver and Honolulu, or through points in that direction, and she offered not only to find the vessel, but to defray half the cost of such survey. Then after that, another appeal was made from the conference to the imperial authorities asking them to undertake this work, which it must be patent to all must precede everything else—that is, to make a thorough survey of the proposed route. Well, this matter was considered by the imperial authorities, with the result that in reply to a letter from the delegates, transmitted through Lord Knutsford, to the Admiralty, the Secretary of the Admiralty wrote :

Unless the Secretary of State has reason to believe that a submarine cable is likely to be laid from Vancouver to Australia very shortly, their lordships would not propose to despatch a surveying vessel for the sole purpose of obtaining soundings over the route, but they will endeavour to arrange that soundings should be gradually obtained during the next few years in the ordinary course of hydrographic surveys.

Well, that appears to have been the position taken by the imperial authorities upon a request made not only by the conference I have alluded to, but also by the Government of this Dominion ; and although one vessel was for a short time employed in making a survey on the Australian end of the line, still I think I am stating what is correct when I say that no survey whatever has taken place between Vancouver and Honolulu from that time up to the present ; and the only way in which we can at all arrive at an idea as to the depth of the ocean or any part of the route proposed for the cable is by consulting the reports of the survey made from Honolulu to San Francisco by the United States Government by means of the vessel "Tuscarora." Now, as I said, it is, I think, rather unfortunate that the Imperial Government are not more energetic, if I may use such a term, in carrying out their promise, because undoubtedly they made a promise to the effect that a vessel would be employed, and that the survey would gradually go on, and that in the course of two or three years they hoped the survey would be complete ; but instead of carrying on the survey which was commenced, the vessel was withdrawn, and so far as we know nothing further has been done. The next step taken was by a conference held in Sydney, in March, 1888.

On the 7th of March, 1888, a resolution passed at a postal conference held at Sydney, all the Australian Colonies being represented, was telegraphed to Lord Knutsford. The telegram asked that the Admiralty might be moved to make an early survey of a suitable route for ocean cable telegraph by way of the Pacific Ocean from Vancouver Island, the cost to be defrayed by Her Majesty's Government, the Government of Canada, and the Australian Colonies. The Colonial Office immediately communicated with the Admiralty, and asked for an approximate estimate of the probable cost of a survey. The Admiralty replied on the 4th April, 1888. Their letters stated that Her Majesty's ship *Egeria* was on the point of sailing from Sydney to clear up the dangers and fix the positions by a survey of the islands on the route from New Zealand to Vancouver, and that the vessel had orders to obtain in the course of this work deep soundings, which would in two or three years furnish more detailed information than now existed as to the varieties of depths to be expected on the general line of cable. I have mentioned that already. As to the probable cost of the survey, it was stated that the annual cost of Her Majesty's ship "*Egeria*" was about £12,000, and that if a similar vessel was provided especially for the purpose of making a complete survey of the best

ocean route and landing places, the cost would be about £36,000. This estimate was irrespective of the value of the vessel and the cost of her fitting her out. And then again the opinion expressed in the letter from the Admiralty was to the same effect, that unless the imperial authorities could be satisfied that some definite progress was going to be made, and there was some probability of the work being carried out within a reasonable time, they did not see that they were justified in immediately carrying on this survey at considerable cost.

Hon. Mr. FOSTER.—What was the computation as to cost?

Hon. Mr. SUTTON.—The annual cost of the surveying vessel "Egeria" would be about £12,000, and if a similar vessel were provided for the purpose the total cost of the survey would be about £36,000. Well now, the next steps the colonies appear to have taken after that were those taken at the Postal Conference a few months ago, which was held in New Zealand, where delegates representing all the Australian Colonies assembled, the majority of these gentlemen being the Ministers in charge of the Postal Departments, having direct knowledge of the subject they wished to confer upon. That conference which met only a short time since carried the following resolution:—

That considering the important interests involved, both of a national and commercial character, in the establishment of a Pacific cable, the representatives of the respective colonies assembled at this conference recommend their governments to consider the desirability of entering into a guarantee with the other countries interested for a period not exceeding fourteen years, and to guarantee interest at four per cent on a capital of not more than £1,800,000 to any company undertaking the laying of a Pacific cable; the tariff not to exceed 3s. per word for ordinary telegrams, 2s. per word for government telegrams, and 1s. 6d. per word for press telegrams to and from Great Britain and the colonies; and that the United Kingdom be asked to join in the guarantee; the routes to be either of the following: Brisbane to Ahipara Bay (New Zealand), Ahipara Bay to Suva, Suva to Apia, Apia to Fanning Island, Fanning Island to Sandwich Islands, Sandwich Islands to Vancouver or from New Zealand to Suva, Suva to Apia, Apia to Fanning Island, Fanning Island to Sandwich Islands, Sandwich Islands to Vancouver.

Now, sir, that is the position apparently of this proposal until it arrives at the stage it is now in, when we are invited here to consider what further steps we can adopt to bring about what the great majority of us here by our very presence show that we approve of. Of course, difficulties may arise and different opinions may be held by some members of the conference as to the best mode of carrying out this project, and as to the degree of responsibility we are prepared to enter into with our respective governments. That, no doubt, will come out in the discussion which will follow the moving of this motion; but as my friend Mr. Lee Smith has given notice of an amendment, and as I understand the delegates from the Cape desire to enlarge the scope of the resolution, with a view, perhaps of having discussion upon some proposal which may be made, I would like to read the executive minute that was passed in Canada and sent down to the Australasian Colonies signed by His Excellency Lord Aberdeen. This minute requests that delegates from the Australasian Colonies and Fiji shall meet at Ottawa:—

For the purpose of considering the trade relations existing between Canada and their respective countries and the best means of extending the same and of securing the construction of a direct telegraph cable between these colonies and the Dominion of Canada.

Therefore, so far as this resolution I am now moving is concerned, I am inclined to think the discussion will have to be restricted to the proposal to construct a cable between the Dominion of Canada and the Australasian Colonies; but if that be not so, I am quite prepared to deal generally with the matter under discussion. Now, sir, if there is any one man more than another who deserves the congratulations of the people of Canada for the energetic way in which he has endeavoured to bring

about the construction of this cable, it is Mr. Sandford Fleming. He has, in a way we seldom find any gentleman doing, given an enormous amount of attention to the subject now under discussion, and I am sure he deserves not only credit for doing so, but also the thanks of every patriotic Canadian in this Dominion for the very great exertions he has taken in this direction. We must all of us have read with a great deal of interest the numerous letters he has written and the sketches he has given on the subject, and undoubtedly to all of us they have been matters of great interest. Mr. Sandford Fleming, arguing in favour of his proposal, says practically that the construction of this cable across the Pacific would, in the first instance, stimulate and facilitate commercial intercourse; and I think that is so apparent from the facts that it needs no argument to prove it beyond those given by Mr. Fleming. Another argument that he uses is that the construction of such a cable would greatly assist in the defence of the colonies during the time of war; and this, I think is a point we cannot lose sight of, especially in connection with the position which the Imperial Government may take with regard to this proposal; because we feel that if this cable is going to be constructed, it should be a work of a national character, and that all parts of the Empire interested should accept some of the responsibility in connection with the laying of it. That is a point I will discuss later on at greater length.

Now, if I am correct, Mr. Sandford Fleming's arguments are under three heads. His third argument is that the laying of such a cable will largely reduce the cost of cable messages between Australia and Canada and the United States, and that must be admitted as one of the strongest arguments in favour of this cable from a commercial point of view. It will not, I hope, be considered inopportune if for a few moments I go into the details of what the different routes proposed by Mr. Sandford Fleming are. I will point out his arguments in favour of them as shortly as I possibly can, and then I think it is only fair to the members of the conference to point out the objections raised by the imperial authorities to his proposals. I think we might have maps at our disposal by which we might trace the different routes. To begin, Mr. Fleming suggests four routes, no one of which renders it necessary to go outside of British protection. In the memorandum that he wrote in Sydney, on October 11th, 1893, he described definitely four routes which he proposes, any one of which he argues, would be without undue cost. Route 1, he proposes to commence at Vancouver Island, and extend to Fanning Island, and thence to the nearest island of the Fiji group. From Fiji it could run direct to New Zealand, and thence to the Australian continent; or it could go from Fiji to Norfolk Island, and from there bifurcate to the northern part of New Zealand and to a convenient point near the boundary between New South Wales and Queensland. The length of this line would be 7,145 knots and the cost would be £1,678,000. The second route proposed would go from Vancouver Island to Necker Island, a small unoccupied island 240 miles from the Hawaiian group. From Necker Island it would go to Fiji, and thence, as in route No. 1, to New Zealand and Australia. The length of this line would be 7,175 knots and the cost would be £1,585,000. The third route would go from Vancouver Island to Necker Island, and thence to Onoatua or some one of the eastern islands of the Gilbert group. From the station in the Gilbert group, two branches would extend—one to Queensland, and the other to New Zealand. The Queensland branch would touch at San Christoval Island in the Solomon group, and terminate at Bowen, connecting at

that point with the land lines easterly to Brisbane and Sydney, and then going westerly to the Gulf of Carpentaria, where a connection might be found with the overland line to Adelaide, leading to Victoria, Tasmania, South and West Australia. The New Zealand branch of the route would find a mid-station on Viti Levu, the southern island of the Fiji group. The length of this line would be 8,264 knots and the cost would be £1,825,000. Then the fourth route would be from Vancouver to Necker Island, and thence in a direct line to Bowen, touching at Apamana—a central island in the Gilbert group—and at San Christoval of the Solomon group. At Bowen, as in the case of route 3, the line would connect with the southern colonies by means of the overland line to Adelaide. This route offers probably the shortest line between any part of Canada and any part of continental Australia, but it has the disadvantage of excluding from its telegraphic service the Fiji Islands and New Zealand. That line would be in length 6,244 knots, and cost £1,380,000 according to the estimate given by Mr. Sandford Fleming. It may not be inopportune to remind the members of the conference that three out of the four of the routes, outlined or proposed by Mr. Fleming, touch Necker Island, and until a short time ago Necker Island was apparently no man's land. It was supposed to be open to annexation by any nation, hence it was a reasonable proposition to make that a part of Mr. Fleming's scheme and land the cable on Necker Island with a view to lessening the distance between Vancouver and Fanning Island, if such a course were found to be necessary. He proposed to carry the cable from Vancouver to Necker Island to shorten the distance. That was the position until a few weeks ago. I understand in the estimate of cost given by Mr. Sandford Fleming he has added 20 per cent to the mileage for "slack" in order that the cable may be safely laid at all depths, and in the case of No. 1 a special allowance is made on account of the unusually long section between Vancouver and Fanning Island. Mr. Fleming is so intimately conversant with this project, that we cannot allude to this work without constantly using his name. I find that he has made several proposals in regard to the way in which his scheme should be carried out. The first proposition is that the work should be carried out through the agency of a company liberally subsidized, and the second is that it shall be a public work carried out entirely under government control, each government interested paying pro rata for the construction. Now with regard to these two proposals made by Mr. Sandford Fleming, I think I shall be justified in expressing the opinion that so far as the government of New South Wales, of which I am a member, is concerned, I do not think that we can see our way clear to enter into any arrangement such as that by which this cable will be constructed directly by the government itself. My government is not prepared at the present time to enter into any such proposal as that. Mr. Fleming admits that he recognizes the difficulty arising from the obligation of certain of the Australian governments to pay the Eastern Extension Company until May, 1899, an annual subsidy of £32,400, but he considers that it can be readily overcome by providing out of capital an annuity to meet the subsidy as it annually becomes due. That, of course, is in the event of the government of the different colonies arranging to carry out this work themselves. While I do not think it is at all likely that the governments will enter into any such proposal as that—I may say here, in parenthesis, with regard to the Eastern Extension Company, that the colony I come from (New South Wales) has no feeling whatever against that company. We feel that during the time

it has been in existence it has done good work. We feel that it has on every opportunity met the wishes of the different Australian Governments, so far as it could within reasonable limits. And, if the construction of the Pacific cable means the destruction of the other cable, I do not see that by constructing the Pacific cable and destroying the other we shall be in any better position than we are at present. Therefore, whilst I am quite prepared to give all the assistance that I legitimately can with my instructions, to the consideration of this cable, I do not see that we should be justified in constructing it if it is going to cause the destruction of the one already in existence. We feel that there is work for both these cables, and that we should assist in every possible way we can in doubling this communication between the parts of the Empire concerned. Therefore, we are of the opinion that whilst we will give all legitimate assistance to the proposal now under consideration, at the same time we do not in any way desire to unnecessarily hamper or restrict or discourage the companies already in existence by which we have telegraphic communication between Europe and Australasia.

Hon. Mr. FOSTER.—The Eastern Extension Company is Sir John Pender's?

Hon. Mr. SUTTOR.—Yes, but I think the more we leave out the names of individuals in these discussions the better. Some little time since, Mr. Fleming was under the impression that we had no hope of getting any assistance from the imperial authorities, and he then suggested that the Dominion of Canada and the Australian Colonies with Fiji should take up this work and build the cable at the cost of these great dependencies. Although I do not for a moment doubt the capacity of the different colonies for constructing a work of such magnitude, still I feel that the imperial authorities, if this line is to be considered a national one, should assist us in the construction of such a work. The imperial authorities ought to do this, if it is to be considered at all from a national point of view. We find that one colony which is now rapidly increasing both in population and importance, Fiji, is a Crown colony, and as we all admit, if this cable is to be a success, it should go through as much British territory as possible, and Mr. Fleming's proposal is that it should go through Fiji. As Fiji is a Crown colony, I do not think we are asking too much, even from that point of view, in requiring that the Imperial Government should give some assistance in this great undertaking. Now, it is not necessary for me to dilate further on the advantages that we must all see would be derived from the construction of this cable. We, in Australasia, will be placed in direct communication, not only with this great Dominion of Canada, but with the great nation adjoining her boundaries with its sixty-odd millions of people—the United States of America—with whom we are on the most friendly relations, and with whom we consider the importance of trading, which is only natural. If this cable should be constructed, if possible through English territory, between Australia and Canada, one of the strongest arguments in favour of it no doubt is, that it will foster, not only fuller communication with the Dominion of Canada, but the whole of this great continent of America, than we now have. It will materially cheapen the means of communication between these two sections which are now becoming larger and more important every day. As this matter has been for some time under the consideration of many scientific men—I have as shortly as I could pointed out the advantages derivable from the proposed line—it is now only right that I should give an epitome of the reports from scientific men who have objected to some of the proposals submitted by our friend Mr. Sandford Fleming. These reports point out that there is a strong probability of some of his proposals being impracticable,

or if not impracticable, at least so costly that no direct good would come from the construction of such a line. In December, 1892, the Secretary of State for the Colonies, wrote to the Postmaster General, in London, upon the question of the construction of the submarine cable between Vancouver and Australasia, and on the 5th of July, 1893, a reply was sent to that letter, and although they did not fix upon one of the lines suggested, they fixed practically upon a somewhat similar route and they discussed the possibility of constructing a cable over that route. The proposal the Postmaster General made through his scientific officer, was that the line should go from Victoria, Vancouver Island, to Fanning Island, which is a distance of 3,298 knots, and from Fanning Island, to Canton Island, and from Canton Island to Fiji, and from Fiji to the Bay of Islands, New Zealand, a total distance of 6,353 knots. To this it was necessary to add, what Mr. Fleming has done to his lines, 20 per cent for "slack," making the total distance 7,623 knots. Now that distance, according to the report, between Fanning Island and New Zealand can be laid without any unusual cost, and experience shows there will be no great difficulty at all in constructing that portion of the cable. It will be sufficient there to lay a cable of which the core would consist of 130 pounds of copper and 130 pounds of gutta-percha to the knot, or £150 to the knot, or say £549,900 for the three sections from Fanning Island to New Zealand. But they take great exception to the proposal to lay a cable from Vancouver to Fanning Island, by reason of the stretch of distance and unknown depth that will have to be spanned between those two points, and they say that even to secure a moderate working speed of twelve words a minute, you will have to lay a cable with a core of 940 pounds of copper and 940 pounds of gutta-percha to the knot, and the cost of manufacturing and laying such a cable would be £600 a knot or £2,374,200. So you will see whilst the ordinary cable contains 130 pounds of copper and 130 pounds of gutta-percha to the knot, according to these authorities, if we lay a cable from Vancouver Island to Fanning Island, we shall require one containing 940 pounds of copper and 940 pounds of gutta-percha to the knot. The total cost of the whole line, from Vancouver to New Zealand will be about £2,924,100, or roundly, the construction of this cable from Vancouver to Australasia, if we have to construct it from Vancouver to Fanning Island, means the enormous sum of £3,000,000. The great trouble will be to span the great space between Vancouver and Fanning Island. Perhaps, coming as we did from the Australian Colonies, we have not been able to secure the latest information on the subject, and I am only too glad to have been just now informed by his lordship the Earl of Jersey that the figures I have just quoted have been reduced from roundly £3,000,000 to £2,128,650.

LORD JERSEY.—The cost is put at less, viz., about £1,800,000.

HON. MR. FITZGERALD.—And on accurate survey might be still less again, the figures of the survey being so very incomplete.

HON. MR. SUTTON.—I am glad to have this later information. I am glad to find there is so much reduction in the estimated cost. Still the cost of the construction of this line can only be approximate, because we have from Vancouver Island to Fanning Island a stretch which is absolutely an unknown sea. Until we get that length thoroughly measured as to depth, I take it that no officer of any experience can give any definite idea as to what the cost may be. The depth between Vancouver and Fanning Island may not be so great as we have been led to believe. Of course, if it be not so great, the cost of laying the line would be very

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materially lessened. I have corrected some of the figures I have made with regard to the cost estimated by the Postmaster General at London. But besides that a further report was submitted to the imperial authorities by the hydrographer of the British navy, and although that report dates back as far as 1887, I am informed by Lord Jersey, that so far as the estimate is concerned, the information upon the probability of carrying out this line remains as it was.

Lord Jersey.—Substantially.

Hon. Mr. SUTTON.—Substantially the same. I do not think we can easily cast aside the statements of a responsible officer, such as the hydrographer of the navy, and we are bound to consider, if we can, any objection raised by a high authority as he must be. It seems to me the position he takes, appears to be strong, and it requires some very forcible arguments to show that the statements made by him in connection with this matter are altogether unworthy of consideration. He pointed out that to minimise the effect of breakdowns on a submarine cable, the individual length between the landing places should be as short as possible, in order that the time lost in bridging over by a steamer, until the repairs can be made good, should be reduced to a minimum.

The proposed line, would not only be made up of the longest length of submarine cable known, (the proposed line of cable between Vancouver Island and Fanning Island) "but the state of trade at the calling places, is such that steamers might not be available for temporary service in case of a messenger vessel being required." These difficulties can be got over. Further the hydrographer states "(1) that very few soundings exist on the actual line proposed; (2) that the soundings near this line show that the depth is unusually great, and therefore unfavourable for repairing; (3) that the probability of sudden inequalities at the bottom are very great, in such an island-studded sea, and that such inequality would be also unfavourable to the maintenance of the cable; and (4) it would require a long and minute search by a vessel perfectly fitted out for sounding before the best route could be selected." "It is very doubtful therefore," the hydrographer concludes, "what the ultimate cost of the undertaking may be, and even at the estimate of £2,000,000, it is more than doubtful whether it could possibly be made to pay," and now this is the concluding paragraph of the hydrographer's remarks which I am quoting. We all desire to be enlightened and I will be very glad to listen to any reply. He says:

As a single line of submarine telegraph has never yet been found to answer commercially, it would probably be necessary to duplicate this one; and this would cost about £1,500,000 extra.

Now, if we are to involve our colonies in such a large expenditure, not only for the single cable, but it may be to duplicate it, we shall have to seriously consider whether we are in a position at all to undertake such a proposal as this, but we know that, although a single cable may not be as convenient as a double one, many telegraph lines have worked with a single cable for some considerable length of time before the duplicate has been laid down. As the Eastern Extension Company has already been mentioned by me, I do not think it is necessary at this stage that I should use any arguments raised by them in objection to this proposed line. I have restricted myself wholly to the opinion expressed by the different officers employed by the Imperial Government. I have alluded to the report submitted by the Postmaster General, and to the report furnished by the hydrographer of the navy. The Secretary of Telegraphs, in New South Wales, Mr. P. B. Walker, who, I think, will be admitted by any one knowing him, to be an officer of high standing and considerable ability, discusses these proposals as submitted by Mr. Fleming. First of all he questions the accuracy of the estimated cost.

Hon. Mr. FRASER.—Mr. Walker is the Secretary of Telegraphs for your colony?

Hon. Mr. SUTTON.—Yes, he is the Secretary of Telegraphs for New South Wales. He disapproves of all the routes proposed by Mr. Sandford Fleming, and questions the accuracy of his estimate of cost. But his disapproval of the routes are from a commercial point of view rather than from a national or strategic point of view. Mr. Fleming's desire is that this cable should be laid absolutely and entirely through British territory, while this officer looks upon it from the commercial point of view rather than the national point of view. With regard to the length of distance to be spanned between Vancouver and Fanning Island, Mr. Walker is very strongly of the opinion that it is not at all likely such a length of cable could be successfully worked. He says route No. 1, as proposed by Mr. Fleming, would be a mistake, as such a length of cable as that required between Vancouver Island and Fanning Island, (3,200 nautical miles) without any intermediate relay, would not work satisfactorily. He points out that it is well known, that when a cable over 3,000 miles in length is worked in a direct circuit, great difficulty is experienced through the slow progress in working, and he is quite sure that no cable company would attempt such a cable. The longest length of cable worked en route to England extends from Bombay to Suez, a distance of 3,253 knots, but it touches at Aden where an intermediate relay is inserted to assist the circuit. There is another cable from Alexandria to Gibraltar, 2,037 knots, with an intermediate relay inserted at Malta, and there is also a cable from Port Darwin to Singapore of 2,055 knots, with a relay at Banjoewangie, and one of 1,770 knots from Singapore to Madras with a relay at Penang. From the practical experience of the existing cable companies, such a proposal as that to connect Vancouver and Fanning Island direct is not, he thinks, satisfactory. At this stage it will not be necessary for me to detain the conference by discussing in detail, or at any very great length, the financial part of this matter. I think as far as I am concerned, I might leave that to a subsequent occasion if it becomes necessary. My government are not in any way tied down to any particular scheme or any particular route; but I am prepared to listen to every suggestion made and every argument used in reply to the objections taken as to the practicability of the route proposed between here and Fanning Island. If that route cannot be carried out, no doubt some alternative proposal can be made. Now, as I have already stated I feel that this, if it should be undertaken at all, should be undertaken as a great national work. I hope that those of us representing the Australasian Colonies will, if possible, work harmoniously in endeavouring to bring about what we must all admit would be a very great benefit, not only to ourselves, but to the Dominion of Canada, and also to England. If this is to be considered from a national point of view, and if it will be possible to construct this cable entirely through British territory, we shall not be asking too much if we inquire of Lord Jersey, who represents the Imperial Government, how far the Imperial Government is prepared to assist us in the work which we propose to take in hand. If we are informed that the Imperial Government do not see their way at all to assist, then the question will remain with us whether we shall have sufficient power behind us to construct this line irrespective altogether of the British Government. With regard to the preliminary step that must be taken; that is to say, the necessary survey between Vancouver and Fanning Island, or between Vancouver and any other island which may be chosen as an alternative route, I am permitted to say that my government is quite prepared to bear its proportionate share of the expense of that survey, if the Home Government do not see their way to meet it with the ordinary

means at their disposal. As to the way in which the line will be constructed, I do not think that my government will agree to any proposal by which the work shall be carried out under the direct control or at the cost of the governments. We feel that this, as other projects of a similar nature, should be allowed to rest with private enterprise; and further, although I am not directly prohibited from entertaining any proposition that will necessitate my government granting a subsidy in the event of such a line being undertaken; still at this stage I must say that we would much prefer that our responsibility should not be beyond those laid down by the conference in New Zealand. We are not prepared to subsidize any company, but we are quite prepared to enter into a guarantee as defined by the conference in New Zealand, to provide that any company undertaking this work should not be at a loss; in other words, that we should provide the difference between some fixed amount of interest mentioned and the deficiency that would arise between the net receipts and that amount. So far as I am concerned, and those I represent, we shall be willing to go as far as that. I do not feel that we are in a position at this early stage to consider this subject in detail, and therefore I have asked you to approve of this resolution, which simply expresses the opinion that early steps should be taken to connect the Dominion of Canada with the Australasian Colonies. Sir, I have very much pleasure in moving the resolution as it stands in my name.

LORD JERSEY.—Might I ask Mr. Suttor one question; it is rather a leading one, but what would be the basis of the pro rata arrangement to which you alluded as having been suggested by the New Zealand Conference?

HON. MR. SUTTOR.—The pro rata amount would be taken, as is generally done in our colonies, on a population basis. That is the basis we pay our subsidies on, and no doubt we would pay this the same way.

LORD JERSEY.—But as regarded Great Britain and Canada?

HON. NICHOLAS FITZGERALD.—Lord Jersey appears to be asking what the proportions would be of payment between the Imperial Government and the Australian Colonies.

LORD JERSEY.—That is the question, and it is very important.

HON. MR. SUTTOR.—I will refer to the resolutions I have already read which were passed at the New Zealand Conference.

MR. LEE SMITH.—It is half and half; Australian Colonies half and Canada and Great Britain half.

HON. MR. SUTTOR.—That was the proposal made some time ago.

LORD JERSEY.—It was supposed to be a tri-partite agreement?

MR. LEE SMITH.—Exactly.

HON. MR. SUTTOR.—I think I am only echoing the sentiment of my fellow members when I say that if the Imperial Government will come in, in a reasonable way we shall be prepared to accept all the responsibility we can in this matter.

MR. LEE SMITH.—Would it not be a convenient way to move my amendment now, seeing a similar question has been raised by Sir Charles Mills? It would clear the ground.

SIR ADOLPHE CARON.—I should like to know if any gentleman wishes to speak to this motion and then I would hear the amendment.

HON. MR. FRASER.—I think it would be greatly to the advantage of members of this conference if the paper of Mr. Sandford Fleming were taken now. The motion is now afloat.

MR. SANDFORD FLEMING.—There are two or three points raised by the delegate from New South Wales which I would like to refer to, but I am afraid it would take up the time too long. I may have an opportunity of referring to them at a later stage. At present I will as desired, read the paper which I prepared at the instance of the Minister of Trade and Commerce:—

MR. PRESIDENT, MY LORD AND GENTLEMEN :

Every thoughtful man must be impressed with the importance and significance of this gathering in the Canadian capital. We have here assembled representative men from the British peoples who dwell in distant parts of the world, who have travelled to Ottawa, some of them from the other hemisphere, to consider matters of common interest, and determine the best means by which we can be drawn closer together. The primary object, or at least one of the primary objects of this conference, is to effect some practical arrangement for the establishment of a Pacific cable. The subject is one to which I have given my attention for years, and in placing before you the views which an earnest consideration of the question has led me to entertain, I am sustained by the conviction that I am performing a public duty in doing so. May I then venture to hope, that you will not consider me as unduly intruding the opinions I express and that you will absolve me from the charge of undue self-assertion.

There are many leading minds in the mother country, in Canada and throughout the colonies who recognize the value to the Empire of a telegraph across the Pacific, who indeed wonder that it has not before now been established. One reason is the opposition of a strong joint stock company, the managers of which have exercised their hostile influence in every possible way since the first inception of the project. It seems proper therefore before taking up the broader and more important considerations, that I should in a few words examine the position taken by that company and answer the principal arguments they have advanced.

With your permission, I will allude to the latest hostile utterance. It may be found in a recent communication from Sir John Pender, the influential chairman of the Eastern Extension Telegraph Company. This document was addressed to the Colonial Office, London, on April 4th of this year; a copy was sent on April 14th to His Excellency the Governor General of Canada for the information of the Canadian Government. Two days later, April 16th (and it must have been communicated by telegraph to Australia), it was sent from the office of the Eastern Extension Telegraph Company in Melbourne to the Premier of Victoria, and I have reason to think that copies were sent at the same time to every one of the governments of the Australian Colonies. Thus it is obvious that the chairman of the company attaches great weight to this document in which strong representations are made in opposition to the Pacific cable, and if he be correct in his statements and right in his conclusion, I may almost say that this conference need go no further in the matter. But, however much the opinions of Sir John Pender may command respect, I am impelled to express my strong dissent from them in this instance, and in doing so I shall with your leave submit the reasons, on which I ground my objections to the statements and representations, which he has thought proper to bring to the special notice of all the governments interested.

Sir John Pender, represents that the existing service was established solely by private enterprise, and that it has received but little aid from government; that a cable across the Pacific is not required; that it would require, in order to make it succeed, an annual grant, in the form of subsidy or guarantee, of £192,235 sterling; and that as it would be a serious injury to the existing service, the government could not in equity, refuse to assist to the same extent the Eastern Extension Company. He likewise asks, that if it be determined to establish the Pacific cable, the government should hand over the requisite subsidies to his company to carry out the undertaking.

In answer to these representations I desire to remark:

In one of the first paragraphs of his communication Sir John Pender writes:—

"In the first place it ought not to be overlooked that the existing telegraphic communication with Australia was established by private enterprise without any governmental assistance whatever in the form of subsidy, guarantee or exclusive landing rights."

Subsequently, he qualifies this statement by admitting, that subsidies at a later date were granted: While in one sense he may be correct in stating that the telegraph company was brought into operation without governmental assistance, it is equally certain that, in order to make the service more efficient, government aid was subsequently sought and obtained. It is a matter of notoriety, that the telegraph company as it exists to-day is indebted to governmental assistance for its present prosperous condition. The public accounts establish that sums have been paid by the Australian and New Zealand governments amounting in all to £616,250. Moreover, these governments are under obligations to make further yearly payments of £32,400 for each of the coming five years, amounting to £162,000; thus making the total amount received and receivable equal to £778,250. Even this total sum does not represent the full pecuniary consideration agreed to be given the company by these governments, for under a guarantee arrangement entered into four years ago by some of the colonies, further sums are payable.

It is readily conceded, that the trade and commerce both of Great Britain and Australia have been greatly benefited by the use of the Eastern Extension Telegraph, but even in view of this fact it can not be claimed on behalf of the company that governmental aid on an exceedingly generous scale has not been extended to it. Let us estimate the cost of the cable between Asia and Australia; the length of line from Singapore to Port Darwin is, according to the hydrographer of the Admiralty, 1,925 miles, and a single cable over this distance could be laid for £354,000. The company will have received including the future amounts receivable from the governments not less than £778,250, a sum considerably in excess of the cost of two cables over the whole intervening distance from Asia to Australia. Thus it may be said that the Colonial Governments, in one form or another, have paid from the public exchequer capital sufficient to establish the whole of that portion of the company's system which controls Australian business.

In other respects the company has not been unrewarded for its venture. Notwithstanding the fact that it has been so liberally subsidized by the government, the company has exercised its power to exact from the public, enormously high rates for the transmission of messages. As a consequence the revenue has been very large indeed. We learn from the published reports that a dividend of 7 per cent has been paid on the stock, which is held at a premium. But it is well known, that the stock as it stands to-day represents but the nominal capital of the company, and 7 per cent on the nominal capital is equal to over 9 per cent on the original investment. Perhaps I may make this clear by reading a few lines from an excellent authority, "The Economist," of August 23rd, 1890, page 1076:—

"It is worth while examining into the claims which the various cable companies put forth to an adequate remuneration on their invested capital. Six and a half and seven per cent, though very fair rates as times go, are nothing extraordinary in themselves upon investments of twenty years' standing. But it must be remembered that these are the rates payable on a watered capital, and that they represent considerably higher returns upon the money actually put into the cables. Thus the Eastern capital was watered to the amount of £819,500, and the Eastern Extension to the amount of £472,500, and a dividend of 6½ per cent on the Eastern capital should read as over 8½ per cent on the original capital, while 7 per cent on the Eastern Extension capital means over 9 per cent on the capital prior to its being watered. Beyond this, these companies have worked themselves into a strong position by not dividing to the full extent profits legitimately earned. The dividends have been no guide to the profits made, and if requisite the tariffs could be much reduced without affecting the payments to the shareholders."

"The Economist" goes on to point out the large reserves which have been accumulated out of revenue. On this point I shall refer to even a higher authority than "The Economist"—I shall refer to the directors of the company themselves. The statement recently laid before the shareholders by them states, that at the close of the year 1893 the total sum of £633,686 had been thus accumulated after paying out of revenue the cost of new cables and cable renewals to the extent of £1,160,685. These are very large

sums to be realized out of revenue, in addition to the dividends which have been regularly paid, and perhaps the fact may in part explain the hostility of the Eastern Extension Company to the Pacific cable. It is but natural, that the company should object to have a business so lucrative being interfered with by a line, which they are warranted in thinking would prove a formidable rival.

It is not necessary to refute the opinion of the chairman of the Eastern Extension Company with respect to the inutility of a telegraphic connection between Canada and Australia. It is scarcely possible to find a single man unconnected with, or uninfluenced by, the existing telegraphic company, who will accept Sir John Pender's conclusions on this point. It would be a waste of time were I to repeat the arguments which have been advanced to prove that the Pacific cable is really indispensable. I will, however, refer the members of the conference to the report on the mission to Australia by the Canadian Minister of Trade and Commerce, which has recently been issued. It may be remarked in addition to what is therein stated, that a strong practical proof of the necessity of the cable is furnished in the late stranding of one of the steamers of the line established last summer, and the long suspense and anxiety everywhere felt as to the fate of passengers and crew. Moreover is not this conference, is not the presence in Ottawa to-day of delegates from our distant sister colonies, evidence sufficient to show that the governments they represent do not accept the opinion that there is neither commercial nor political needs for the cable? On the contrary, does not this assembly mean that our fellow colonists of Australia and New Zealand are fully alive to its necessity?

Sir John Pender expresses the opinion that the Pacific cable will not succeed, unless enormous subsidies be granted. He estimates that the government would require to make up by subsidies or guarantee no less than £192,235 annually. Among other causes of expense, he asserts that it will be necessary to charge annually upon revenue £105,000 as a fund for "amortization" to effect the renewal of the cable every fourteen years. I am in possession of a letter which Sir John Pender, caused to be sent to the Premier of Victoria, on April 27th last, in which he incidentally admits, that the Eastern Extension Company did not take the course with respect to "amortization," which he says would be the unavoidable consequence in the case of the Pacific cable. What he there states is that "in early days our earnings only admitted of very limited contributions to reserve." To my mind it is the same with the Pacific cable, and it is difficult to assign any reason why the principles acted upon in the first years of the existing company should not be applied in the case of the new enterprise. No one can expect that the new cable will at once reap its harvest of revenue, but I for one confidently believe that in a very few years after its establishment on the basis proposed, owing to reduced charges and the growth of traffic, telegraphy will be enormously increased, and will lead to a regular and profitable business. Again, it is by no means an established principle, that the revenue should be taxed from the first day a message passes through the line, to provide for the renewal of the cable at the expiration of 14 years. The best cables of modern manufacture are not so short lived, and how long submarine cables will last is in fact undetermined. The views of practical men on this point are steadily changing year by year, and the opinion is gaining ground, that cables of a good modern type, and especially those placed in positions not exposed to the action of the waves or marine insects whose destructive effects are experienced only in shallow water; that is to say, cables laid in deep water and imbedded in the soft ooze of the bottom of the ocean, will remain undisturbed and serviceable for generations. So good an authority as the "Electrician" of April 20th, 1892, has the following:

"The 1873 Atlantic cable has never required any repairs to the deep sea portion since it was laid 21 years ago, and there cannot be any doubt that cables recently constructed, with all the knowledge acquired by the experience of the past, should have a much longer life and greater immunity from interruption, than in the case of those laid in the earlier years of submarine telegraphy."

With respect generally to the opinions expressed by Sir John Pender in the communication submitted by him to the consideration of the governments concerned in the establishment of the new cable, it is not possible to set out of view, that as chair-

man of a prosperous company desirous of avoiding competition, he is interested in the non-completion of a telegraph across the Pacific. Such a line of telegraph would lead to a revolution in the *status* of the enterprise he directs, and one of the first results would be a reduction of profits. It may, however, be pointed out that a line across the Pacific must be accepted as a fact of the near future, whatever rivalry it may create. The progress and well-being of Canada, Australasia and the Empire, cannot be retarded in order that the lucrative business of a private company may remain without change. Even if the chairman of the Eastern Extension Company succeeded in converting us to his commercial ethics, that the profits of the monopoly he represents must be maintained inviolate, it does not follow that the project of a Pacific cable would not be carried out in some form, even if Canada and Australia abandon it. There are indeed unmistakable signs that a Pacific cable may shortly be carried out by France and the United States. We all know that France has already completed a section of 800 miles at the southern end, and the United States has recently expended \$25,000 in making an elaborate survey of about one-third the whole distance running southward from San Francisco. With a rival line in foreign hands, it is easy to see that the Eastern Extension Company would gain nothing while the Empire would lose much.

I have given the subject of future revenue much careful consideration and I have expressed my views at some length in the memorandum prepared by me when in Australia in October last year. This memorandum is embraced in the report of the Minister of Trade and Commerce recently issued (pages 70-73). I beg leave to refer to the estimates there submitted, in which I endeavoured to state the case fairly: and I think I have succeeded in showing, that in from four to seven years after the completion of the undertaking, the earnings would be sufficient to meet all charges, including interest on cost; and that after that period there would be an annually increasing surplus to be dealt with as may be deemed expedient.

I do not think that these estimates can be held to be other than reasonable. The calculations are based on data which cannot be impugned, indeed I am satisfied that the results presented are rather under, than over the mark. In proof that these estimates are moderate and reasonable, it may be noticed that they are based on an assumed traffic, considerably less than the actual present traffic which was only correctly ascertained at the close of the year. In further proof of the soundness of the principles on which these estimates have been made, I may refer to a memorandum over my signature, dated April 6th, 1886, published with the proceedings of the Colonial Conference of 1887. In that document prepared eight years ago, the estimate of the number of telegraph messages for 1893 differs only $2\frac{1}{2}$ per cent from the number of messages actually sent last year, according to the published statement of the Eastern Telegraph Company.

We must all admit that the Eastern Extension Company has been the pioneer in cable telegraphy between Australia and Europe, and the facts brought out clearly establish that the company has been well recompensed for being first in the field. We gladly give the due meed of praise to that company for its successful enterprise, and we have additional satisfaction in congratulating the shareholders on the handsome returns they have received for their investment. The Eastern Extension Company must, however, be awakened to certain facts, if its directors have not already done so, viz.: (1) that the Australian Colonies no longer remain in the primitive state of development; (2) that the expansion of the trade and commerce alike of Australia and Canada require direct cable connection across the Pacific; and (3) that the needs of the Empire demand that the telegraph to connect two of the most important colonial dominions, should be in British, and not in foreign hands. I think that I am warranted in saying that this is the view held in Canada, and if I understand the opinions which prevailed in the Australian Colonies generally, they were expressed by the Postmaster General of New Zealand, the Honourable Mr. Ward, on the 20th of April of this year, soon after receiving Sir John Pender's last communication. I quote the words of Mr. Ward as reported in the press:—

"He" (Mr. Ward) "held that the colonies could not take cognizance of the interests of the shareholders in an ordinary commercial undertaking. He held, that among other things, the business of the statesmen in Australia was to provide the best means

of transit by cable between the colonies and Europe, and that if the establishment of the Pacific cable meant interference with a lucrative investment for the shareholders of the Eastern Extension Company, this was no reason why a great work of this kind should be dropped by the colonies. He firmly believed that the delegates to the Canadian Conference would show, that they were strongly impressed with the great advantage, both of a national and commercial character which would follow the establishment of the Pacific cable."

I think I have fairly brought to your notice the several points in Sir John Pender's communication which call for attention, except that contained in the last paragraph. Notwithstanding the strong and prolonged antipathy which he has shown to the laying down of the Pacific cable, he expresses his readiness to take a prominent part in establishing it, if the "governments concerned are prepared to provide the requisite subsidy to enable it to be carried out." By "requisite subsidy" it may be inferred from his estimate submitted in the same document, that he means £192,235 per annum. Here we have, at least, a definite idea of what he thinks a requisite subsidy should be, and he urges that his company "with its large experience and special facilities, is in a better position than any other company to carry out the work advantageously."

It is difficult to believe that this proposal has been seriously made, I shall, however, refer to it later. At present I shall only remark, that it comes from one who for years has been unceasing in his hostility to a work, the consummation of which is held to be subservient to the highest interests of the Australian Colonies, Canada and the Empire.

Having presented to you the indisputable facts which must clear up all doubt as to the true position of the Eastern Extension Company, and show that this company has really been built up by governmental assistance, and has drawn from the public enormous sums, I will now, with your permission allude to the possibilities in the future, which the Pacific cable, established in the public interests, would open up.

With an electric cable laid across the Pacific, all points in Australia by means of land lines may communicate with all points in the United Kingdom, without a single message being repeated in a foreign port. The geographical position of Australia is such, that the telegraph system can be extended westerly to South Africa and north-westerly to India—in both cases by cables of moderate length and without touching territory which is not British. South Africa may be connected telegraphically with Australia by two routes. First, by a cable laid from Durban in Natal to the south-west coast of Western Australia, touching at the Island of St. Paul in mid-ocean. The two sections would together be about 4,200 miles, and would cost probably less than £950,000. Second, by a cable extending from Natal to the Mauritius 1,600 miles, thence to the Keeling Islands, 2,300 miles, and thence to N. W. Cape in Western Australia, 1,150—total, 5,050 miles; or it may be extended from the Keeling Islands direct to Port Darwin, although the distance would be somewhat greater. The second route, although the longest between South Africa and Australia, has the advantage of approaching India at the Keeling Islands. From these islands the distance to Ceylon is about 1,450 miles, so that India, as well as Africa, could thus be connected telegraphically with Australia, by laying cables from point to point, aggregating a total distance of 6,500 miles. The whole cost would not be far from £1,500,000.

In order to make plain the vast importance of these possible extensions of the Australian telegraph system, considered in conjunction with the Pacific cable, let us examine the map of the world, on which the British possessions are depicted. The prime meridian passing through Greenwich may conveniently be taken as a base, separating as it does east from west longitude. It may be observed, that no single British possession in east longitude is connected telegraphically with London, without having the wire passing over some foreign territory or landing at a number of foreign ports. This is true of South Africa, of India, and of Australia. If a difficulty arose in Portugal, or in any one of the half dozen foreign ports touched by the present telegraph, South Africa would be cut off, or should a similar difficulty be experienced in almost any part of Europe, or in Egypt, both India and Australia would be cut off. It was pointed out a few weeks ago at the annual meeting of the London Chamber of Commerce by the chairman, Sir Albert

Rollit, that if the land wire between Bombay and Madras was cut during any rising in the interior, Great Britain would have to communicate with Australia through Siberia. The chairman might have added, that there are many places equally vulnerable on the existing telegraph system both east and west of India.

I am sure the representatives from South Africa will bear me out in this. With the permission of one of them, Mr. Hofmeyr, I would like to quote from his speech at the conference of 1887. On that occasion Mr. Hofmeyr foreshadowed the scheme of the great imperial cables I am touching upon. He said: "We must not only look to the proposed Pacific cable for communication with Australia, but also to, I should not say an alternative, but a duplicate scheme of submarine communications. When I say this, I look to my part of the Empire, that is to say South Africa. Let us view the position of affairs at present as far as South Africa is concerned. It is pretty generally agreed, that if war should break out the Suez Canal would be blocked. Table Bay is dependent for its telegraphic communication upon the Eastern Company's line, which comes down by the east coast of Africa. It is laid in shallow water and touches at many points of foreign territory, I cannot say how many, but very many points indeed. Now, if in time of war the Suez Canal is blocked, it stands to reason that all communication by this cable would be blocked too. It might be cut at various points. England might be at war with any European nation whose territory is touched by this cable; in other words there would be no communication between England, the most important part of the British Empire and the rest of the world; telegraphic communication would cease at once."

Since 1887 when these words were spoken, a cable has been laid along the west coast of Africa, but it is open to precisely the same objections, touching as it does at many foreign places on the way. Moreover both cables are laid in shallow water, and on that account can be easily fished up and destroyed. As a matter of fact, all the lines connecting England with South Africa either pass through foreign territory, or are practically at the mercy of foreigners.

If we examine a map showing the general telegraph system between England and South Africa, it will be noticed that the cable lands at the following mid-stations:—

By First Route.

- | | |
|------------------------------|----------|
| 1. Lisbon | Foreign. |
| 2. Madeira | do |
| 3. St. Vincent | do |
| 4. Bathurst | .. |
| 5. Sierra Leone | .. |
| 6. Accra | .. |
| 7. Lagos | .. |
| 8. New Calabar | .. |
| 9. Bonny | .. |
| 10. Prince's Island | Foreign. |
| 11. St. Thomas Island | do |
| 12. St. Paul de Loando | do |
| 13. Benguela | do |
| 14. Mossamedes | do |
| Cape Town | |

By Second Route.

- | | |
|------------------------------|----------|
| 1. Lisbon | Foreign. |
| 2. Gibraltar | .. |
| 3. Canary Islands | Foreign. |
| 4. St. Louis | do |
| 5. Bathurst | .. |
| 6. Bissao | Foreign. |
| 7. Conakra | do |
| 8. Sierra Leone | .. |
| 9. Accra | .. |
| 10. Porto Novo | Foreign. |
| 11. St. Thomas | do |
| 12. St. Paul de Loando | do |
| 13. Benguela | do |
| 14. Mossamedes | do |
| Cape Town. | |

By the first route there are 14 mid-stations of which 8 are on foreign territory. By the second route no less than 10 mid-stations are at points claimed by foreign powers.

Third route, via Egypt and the Red Sea.

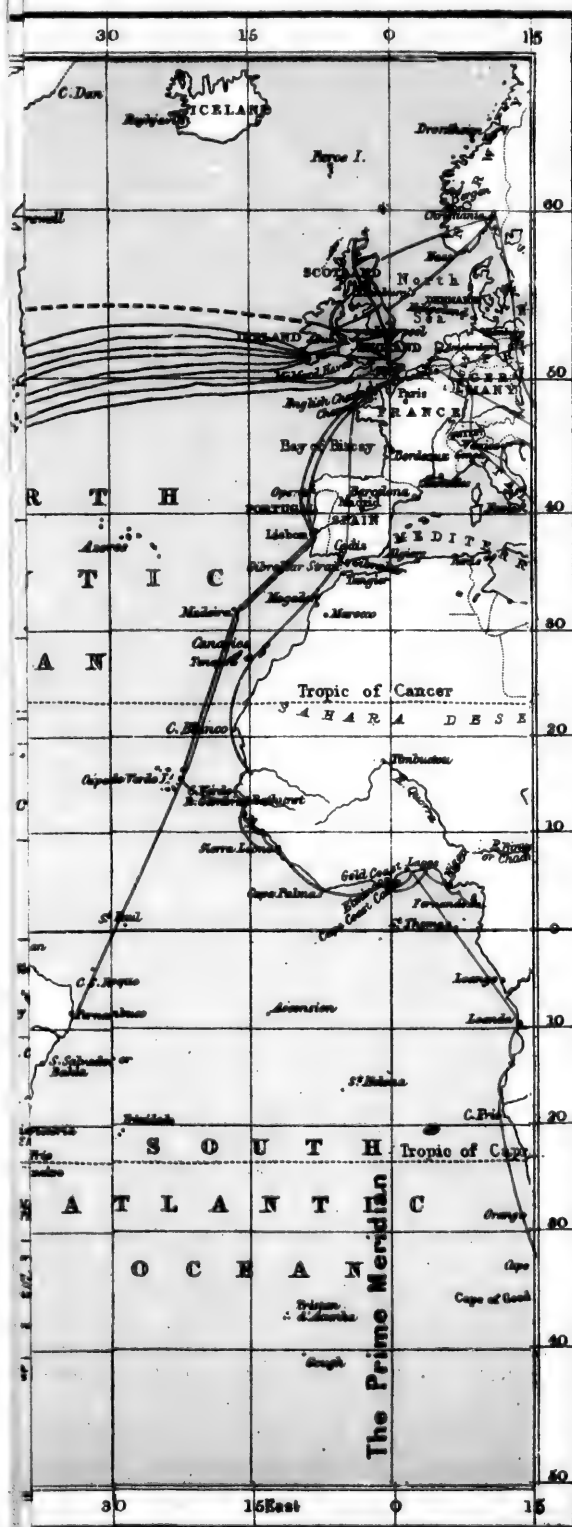
- | | | | |
|------------------------------|----------|----------------------|----------|
| 1. Lisbon | Foreign. | 6. Aden | .. |
| 2. Gibraltar | .. | 7. Zanzibar | .. |
| 3. Malta | .. | 8. Mosambique | Foreign. |
| 4. Alexandria | .. | 9. Delagoa Bay | do |
| 5. to Suez | .. | 10. Durban | .. |
| } All Stations through Egypt | | | |
| } Foreign. | | | |

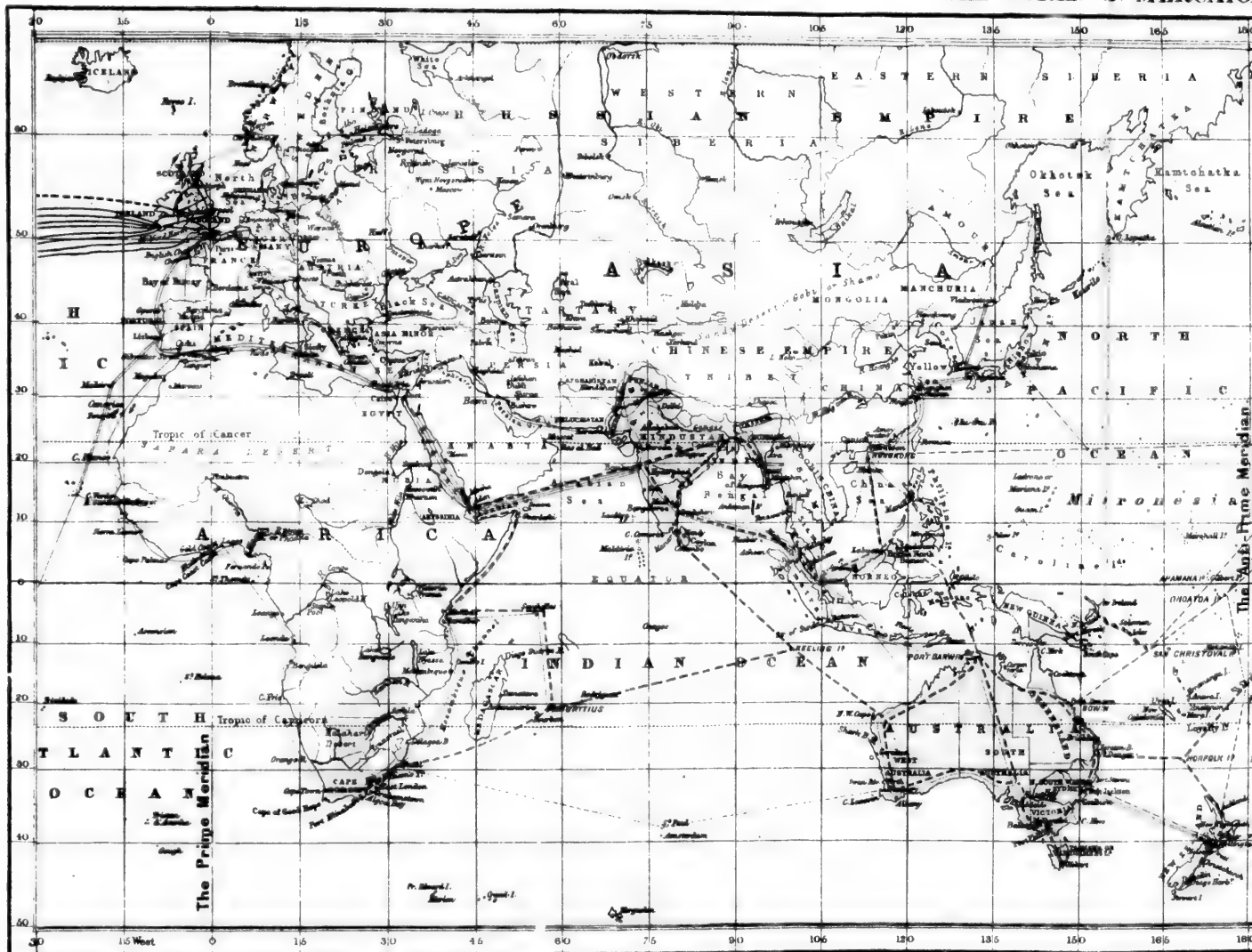
We have been considering the British possessions in east longitude, let us now turn our attention to the surface of the globe west of Greenwich. Already many cables are laid from the shores of Great Britain to the shores of Canada. The geographical position of Canada between the Atlantic and the Pacific, renders it possible to extend the wires to Australia, and, as has been shown, from Australia to Africa and to India. These may be considered the trunk lines of the imperial telegraph system. From them, branch cables can be completed from Halifax via Bermuda to the West Indies, on the Atlantic side of Canada. From Port Darwin, in Australia, to British North Borneo, where a junction would be effected with cables already laid to Hong Kong, Singapore and Madras. Again, at the Mauritius the telegraph would connect with an existing cable to the Seychelles Islands, Zanzibar, on the eastern coast of Africa and Bombay. Thus by the establishment of the great trunk lines of cable with the few short branches which I have pointed out, India would be approached telegraphically from both sides, and every British possession of any note in both hemispheres would be brought into daily and hourly electric touch of each other and the mother country.

The point I desire to make clear is this. The interposition of Europe and Northern Africa absolutely prevents and forbids a continuity of telegraphic communications from Great Britain to the British possessions in the south and east without traversing shallow seas adjoining foreign territory or landing on soil belonging to foreign powers which at any moment may be hostile. While the geographical position of the Dominion and other favourable conditions render telegraphic continuity under our own flag perfectly practicable, from London to Australia, to Africa and to India and to all the territories of the Empire in both hemispheres.

These exceedingly interesting, and to my mind, important considerations, will recall to gentlemen in this conference the views and aspirations of a deceased statesman, who in his lifetime filled the most responsible positions as an adviser of Her Majesty. I allude to the Right Honourable Edward Stanhope, who as Colonial Minister was called upon to take the initiative in assembling the Colonial Conference of 1887. In the despatch which he sent to the governors of all the colonies, informing them that Her Majesty's Government had advised the Queen to summon a conference, Mr. Stanhope gave great prominence to intercommunication by telegraph. He pointed out, that they concerned in a special degree the interests of the Empire, and that it was desirable the question should be considered as a whole, in order that the needs of every part of the Empire might as far as practicable be provided for. No man at that period appeared to take a firmer or broader grasp of this important subject than the deceased statesman. I venture to think that the design of the Imperial cables, which I have attempted to describe in outline, is in complete harmony with the principles which he advocated, and that the establishment of those great lines of communication would go far to meet the national requirements he pointed out. In no other conceivable way, without being absolutely dependent on the friendship and sufferance of foreign powers, can direct telegraphic connection so easily and so usefully be established between Great Britain as the head of the Empire, and the great possessions of Her Majesty in every quarter of the globe.

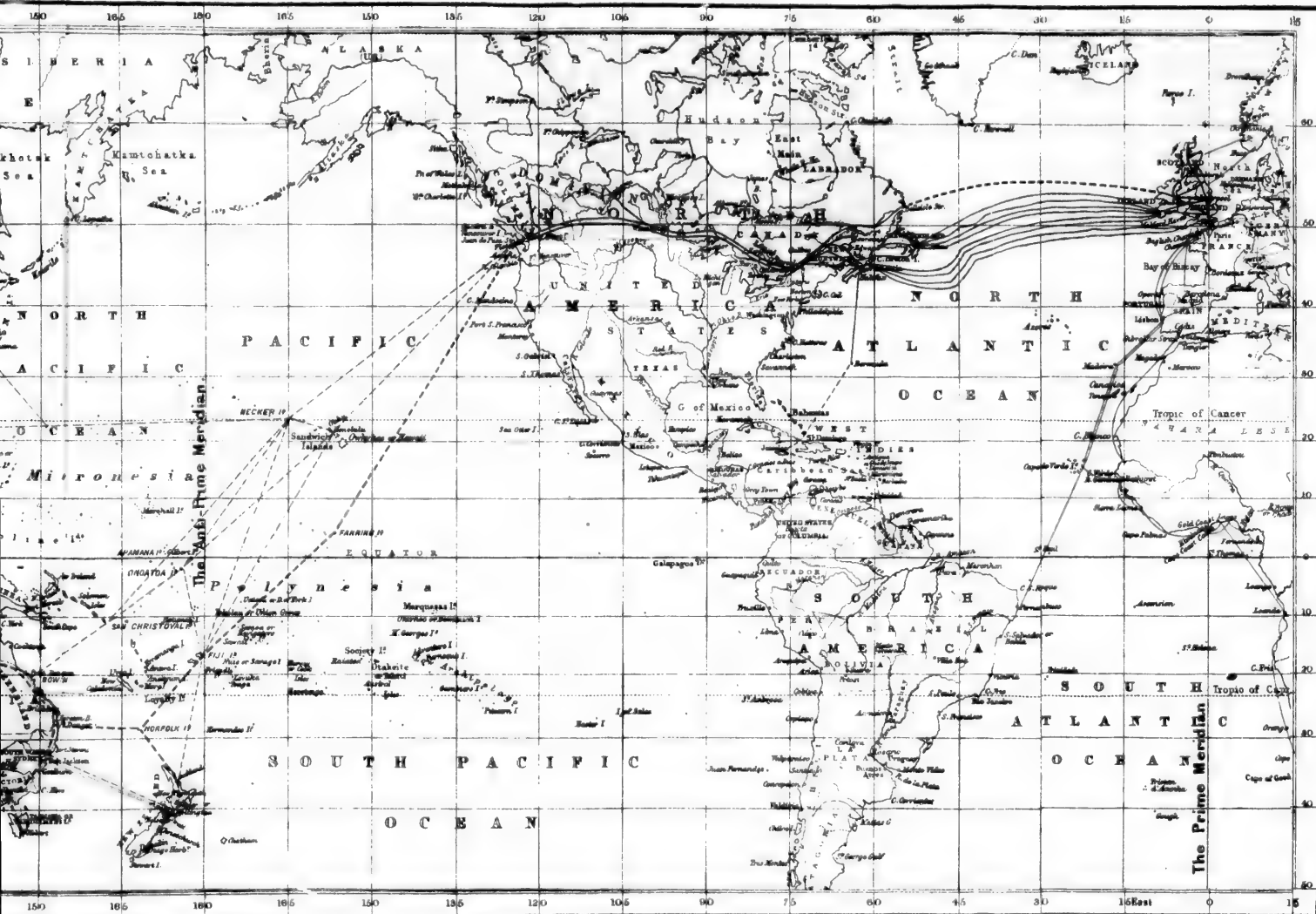
It is quite true that the distance from London to India, or South Africa is greater by the new route suggested than by the existing telegraph lines. The most distant of all by the proposed new route is South Africa. The length of wire in this case would be nearly three times the length of wire by the present route. Distance, however, counts for little, where electricity is employed as the medium of communication. Take a familiar illustration—the telephone and its social uses; by means of this application of science we can, with equal ease and at the same cost, speak to a friend across the street and to a friend leagues distant. The same with the telegraph, and our highest aim should be to have the telegraph system of the British Empire keeping pace with the extraordinary growth of the Empire itself. A wonderful power has been placed at our disposal and we should endeavour as far as possible, to render this power as useful to the British people throughout the world as the ordinary telephone is to the inhabitants of a city, or as the ordinary application of the telegraph is in countries limited in extent.





The Red lines indicate the existing lines of Telegraph from England to India.
 The Blue lines indicate the Telegraph system of the British Colonial Empire.

WORLD ON MERCATOR'S PROJECTION.



of Telegraph from England to India, Australia and South Africa, each one of which passes over the Territory of Foreign Powers
 of the British Colonial Empire referred to in the address of Mr. Standford Fleming at the 'Colonial Conference' of 1894.

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Colonial Conference.

The present Premier of Her Majesty's Home Government, Lord Rosebery, recently pointed out to those resident in England, that they inhabit not an island but an Empire, and that this Empire is a collection of states spread over every region of the earth. In Canada, and in all the colonies we are proud to feel that we, too, inhabit this world-wide Empire. We feel that, although separated by the ocean, we are in direct relationship with our fellow subjects in the mother country. Nevertheless, we desire to make that relationship closer and stronger by means of faster steamships and by increasing the number of ocean cables. As a humble follower of the late Imperial Minister, Mr. Stanhope, I for one feel called upon to express the opinion that, by every means in our power, we should endeavour to establish close and intimate relationships with all our sister provinces and colonies, in whatever part of the world they may be situated.

It must be obvious to all who consider the question with attention, that the first step we can take towards the attainment of these ends is the completion of the Pacific cable. That is the work which lies nearest us, and I humbly express my own view that Canada and Australia, with the sympathetic aid of the mother country, can, without appreciable difficulty, take this first step and render further advance possible. I have shown that when Canada and Australia will be united by a British cable, an additional expenditure of not more than a million and a half of pounds (£1,500,000) would bring South Africa and India into connection by telegraph with Canada and England, without being indebted for transit or resting place to any foreign power whatever. It is difficult to conceive, that such enormously important results may be attained by an expenditure so limited, I may say so insignificant, in view of the national objects to be achieved. I trust I have made it clear that it will be entirely owing to the telegraphic connection of Australia with England by way of Canada, as proposed by the Pacific cable, that the attainment of such results will become possible.

Before turning to the more practical side of the question allow me to quote from an address Mr. George R. Parkin delivered a few weeks ago in Edinburgh, which appears in the May number of the *Scottish Geographical Magazine* :—

"A new nervous system has been given to the world. The land telegraph and submarine cable have changed the whole conditions of national life; above all, they have revolutionized the meaning of the terms 'geographical unity' and 'geographical dispersion.' Especially is this true of the British Empire. * * The transactions of finance and commerce, the regulation of demand and supply, the direction of our commercial fleets and of the armed navy which defends them, all now depend in great measure upon the far-reaching influence of electric force. It is no flight of the imagination, but a simple fact to say that by the agency of the telegraph, backed by the diffusive power of the press, in a few short hours the heart of our nation through all its world-wide extent may be made to beat with one emotion, from Montreal to Melbourne, from London to Zambezi, from the Ganges to the Saskatchewan.

"Think of the single fact that more than £1,000 per day is spent in telegraphic communication between the United Kingdom and Australia alone, and in that fact we have some measure of the value put by our people upon this new link of unity which has been added in the latter half of the nineteenth century.

"But this nervous system is not as complete as the geography of the Empire makes possible; one may say that it has defects which might prove fatal if not remedied in time, and at this present moment are fraught with no small dangers. The greatest gap consists in the lack of connection between Canada and Australia. Reflect upon what this means. There is perhaps no responsibility which statesmen feel more deeply than that connected with the maintenance of our position in India and the east. The financial and commercial interests which we have at stake there are simply enormous, and practically reach every home in this country. For purposes of trade as well as for defence, both military and naval, instant communication with the east has become almost a necessity.

"But it would be almost certainly broken at once in the event of our being engaged in a great European war. There are at present many routes of telegraph by which we can reach India and Australia; across the continent by way of the Mediterranean and the Red Sea, round Africa, and even across Siberia. But all these lines either pass

through possibly hostile countries, or through shallow seas where they could easily be fished up or destroyed in time of war.

"A cable across the Pacific would be free from both these fundamental objections. That this cable should be laid has become a matter of imperial necessity.

"This new set of nerves will undoubtedly change the whole conditions under which the naval wars of the future will be carried on, quite as much as the change from wooden and wind-driven ships to those built of iron and impelled by steam."

We are assembled here to-day to deal with the important subject alluded to by Mr. Parkin, and I will only add to the words I have quoted that if it be the ultimate design to make perfect the "nervous system" of the British Empire, it will be necessary to trace the nerves from the great "nerve centre" not eastward but westward. We must in fact follow the sun from Great Britain to Canada, from Canada to Australia and from Australia to Africa and Asia.

Having endeavoured to show here, and elsewhere, that the Pacific cable is demanded by the needs of trade and commerce, having indicated that it will in the near future subserve imperial purposes of the very highest importance, I beg leave to submit some observations on the means by which the undertaking may be carried out.

There are two distinct methods by which the Pacific cable may be established, viz. :

1. Through the agency of a subsidized company.
2. Directly by government as a public work.

I have given this branch of the subject long and earnest attention, and I have arrived at conclusions which to my mind are confirmed by every day's experience.

At one time I favoured the first method. It has been customary to have enterprises of this character carried out by companies and it seemed to have been assumed that there was no other way by which the work could be accomplished. However, when it is considered that in the United Kingdom, in India, in the Australian Colonies and in a great many foreign countries the telegraphs are owned and worked by governments, there appears no good reason why government ownership should be confined to land telegraph. No doubt it would give least initial trouble to governments to offer liberal subsidies in order to have the telegraph across the Pacific laid and owned by a company, but I am perfectly satisfied that in the long run, the second method will be found in every respect more advantageous. The interests of a company and the public interests are not identical: they are in some respects the very opposite. While the primary object of a company is to extract from the public as much profit as possible, the interests of the public, on the other hand, are to secure cheap telegraphy and to have it as free and untrammelled as possible. Suppose for example that a large subsidy be granted, such a subsidy as Sir John Pender has declared to be necessary, and that the whole undertaking passed over to the Eastern Extension Company to carry out, would not the effect be to confirm and perpetuate the telegraphic monopoly which at present exists between Australia and the outer world? Would it not simply shut out all prospect of obtaining the reduced charges to which we may confidentially look forward to; would it not contract intercourse, instead of providing the fullest opportunity for its free and full expansion, so much to be desired? I look forward to the time, and I do not think it is far distant, when, if a wise and prudent course be followed, the telegraph will ramify in many directions under the ocean to all the principal colonial possessions, and that, in the not distant future, there will be a greater reduction in charges on messages, than has taken place in letter postage during the past fifty years.

Speaking for myself, I have arrived at the conclusion that the true principle to follow, looking solely at the public interests, present and prospective, is to establish the Pacific cable as a government work. In my judgment it would be a grave and irremedial mistake to give it to the existing company on their own terms or perhaps on any terms. Even to hand the work over to a new company entirely distinct from the Eastern Extension Company would scarcely mend matters. It would be impossible to prevent the two companies combining in some form, to advance their common advantage, to the detriment of the public interests.

I have elsewhere endeavoured to show the advantages derivable from the establishment of the Pacific cable, as a public work directly under government control. It is a

matter of constant experience, that the promoters of companies, as a rule, set out with the determination to make large sums of money, that investors are promised large returns, and they are not satisfied unless they are forthcoming. In consequence 9 per cent, and in some cases much more than 9 per cent, is paid for money raised for private companies, while, on the other hand, governments can borrow capital at 3 per cent. Hence it is possible, under government ownership to reduce charges on telegraphy much below the rates charged by private companies.

With the proposed cable under government control, it is not easy to assign a limit to the reduction in charges for transmitting messages; and with low charges there will arise, without any appreciable extra cost in working, a great expansion in the business of the telegraph. Thus the public will be benefited to an extent which would not be possible, if the cable became the property, or passed under the control of a private company.

I had hoped to have seen present at this conference His Excellency Sir Ambrose Shea, Governor of the Bahamas. He would, I am sure, have given the best testimony in favour of the plan of government ownership. Less than two months ago I had a letter from him, in which he furnished indisputable evidence as to the superiority of the principle of government control. The Bahamas are connected with the mainland by a cable owned by government. The first idea was, to have it carried out by a company under a subsidy of £3,000 a year for twenty-five years. Fortunately, it was decided to make it a government work; the cable is entirely so established, and the policy of its operation is dictated primarily by the commercial requirements of the colonies. Profits are of course desired, but these are held to be a subordinate consideration. This policy would have been reversed, had the cable been controlled by a company, the interests of the company *per se* would have remained paramount. Sir Ambrose Shea informs me that even in a financial aspect it has proved fortunate that they kept the cable under government control. Instead of paying £3,000 a year in the form of a subsidy, the charge on the colony is already reduced to £1,800 after fully providing for a sinking fund to cover renewals, as well as interest on the cost and all other charges. Beyond the question of money, the Governor attaches much importance to the power held by the Executive, for adapting the policy of the cable management to the growing and varying wants and conditions of the colony.

It appears to me, that in bringing two of the leading divisions of the Colonial Empire into telegraphic connection, we cannot do better than place before us the experiment to which I have referred as having been so successfully tried. Great importance must be attached to the views and ripe judgment of Sir Ambrose Shea, strengthened in a matter of this kind by the experience of the Bahama cables. Every commercial object points to the expediency of retaining the Canada-Australian cable under government ownership; and apart altogether from commercial considerations, there is no reason to warrant that so important a work, undertaken for national purposes, should be removed from the effective control of the governments, by whose authority alone the great principles of its establishment would be fully observed.

If then it be deemed expedient to carry out the project of a Pacific cable as a public work under federated government ownership, it becomes necessary to consider the means by which this end may be satisfactorily accomplished. Without taking into account the Crown Colony of Fiji, whose affairs are directed from the Colonial Office, London, the following nine representative governments are interested in the undertaking:—

1. The Imperial Government.
2. The Government of Canada.
3. The Government of New South Wales.
4. The Government of Victoria.
5. The Government of Queensland.
6. The Government of South Australia.
7. The Government of Tasmania.
8. The Government of Western Australia.
9. The Government of New Zealand.

If the six Australian Colonies were federated, a partnership arrangement would be much simplified, but as at present the period is not determined when this union will be effected, it becomes expedient to find some means, by which the object may be attained without unnecessary delay. It is scarcely to be expected that the several Governments will be of one mind as to the best practical means of carrying out the work, especially as the colonies do not all occupy the same position with respect to it; and moreover as they will not be equally affected by its operation. The position of South Australia is different from all the others. In 1870 the Colony of South Australia, with very great enterprise, undertook single-handed to span the continent from south to north with a telegraph wire to meet the cable, of the Eastern Extension Company at Port Darwin. The length of this land line is about 2,000 miles. In two years it was completed, and in October, 1872, telegraphic communication was opened between Adelaide, the capital, and London. From Adelaide telegraphs extend to the other colonies, so that each one of them has benefited by the efforts and expenditure of South Australia. This overland telegraph from Adelaide to Port Darwin cost for construction, including permanent iron poles, up to 31st December last year, £506,500. Moreover, it has been maintained and worked at the cost of South Australia, and the returns show generally a loss after charging revenue with interest. In 1893 the revenue was £39,700. The working expense £19,899, and the interest on bonds, £24,703. The working expense and interest together amounting to £44,602, or £4,902 more than revenue. The whole loss from the opening of the line for business in 1872, including interest on cost of construction, amounting to £293,282.

It is obvious that the inevitable result of a new telegraph across the Pacific would be for a time to reduce the business over the old line and increase the loss to South Australia. The enterprise of this colony has already been recognized to some extent by the other colonies, and for some years back the deficit arising from reduced charges has been shared by them. In any new arrangement it is obviously expedient that the position of South Australia should be considered in a fair and generous spirit. I have always held this view both with respect to South Australia and the Eastern Extension Company, although it must be admitted the facts establish the company to be in a very much better position than the colony. There is no desire that the company's lucrative returns should be diminished, that is merely an incidental consequence which may result from the national undertaking we are considering, and it should be met in the fairest way which can be devised. At the Colonial Conference of 1887, I submitted a scheme by which I considered and still consider that full justice would be done both company and colony. This suggestion was of a comprehensive character; it embraced (1) the establishment of the Pacific cable, (2) the purchase of all the cables of the Eastern Extension Company, (3) the transfer of all the telegraphs of the separate Australian Colonies, together with the Pacific cable and Eastern Extension cables to a trust or commission created by the co-operating Governments, under which the whole would be managed. The leading principles by which the arrangement might be effected were set forth as follows:—

1. It would be necessary for each of the colonies to agree to hand over to the central authority their respective telegraph systems, retaining a pecuniary interest in revenue in proportion to the value of the works handed over.

2. The establishment of the new cable across the Pacific would require new capital, to be raised possibly on the joint guarantee of the colonies and the Imperial Government, as in the case of the Intercolonial Railway of Canada. By such means the money could be obtained at the very lowest rate of interest.

3. New capital would likewise be required to purchase the cables of the Eastern Extension Company, if that company would be willing to sell at a fair value. This capital would also be obtained at a low rate of interest, and thus the whole connection between Asia, Australia, Canada and Great Britain could be most economically established. It would thus become practicable to reduce charges on messages to the lowest possible tariff rates, by which the public would greatly benefit without detriment to any private interest.

The proposal was designed to harmonize all interests, to bring all cables and telegraphs within the management of one department under government control, to relieve South Australia from loss by putting this colony on the same footing as all the other colonies and by taking over the present cables at a fair value, to remove all reasonable objections on the part of the Eastern Extension Company. Further details of the scheme will be found appended to the report of the Minister of Trade and Commerce on his mission to Australia (pages 92 to 101).

A less comprehensive scheme may be found expedient, if the Eastern Extension Company have no desire to part with their property on fair terms. Whatever scheme be considered, the principle I mainly advocate is, that the Pacific cable be established as a public work and retained under government control. It seems to me that this principle could be best carried out under the circumstances of this particular case, by the appointment of commissioners, to act as trustees for the co-operating governments under statutes to be passed, for whatever arrangement may be arrived at, it will require ratification by the respective parliaments and legislatures. The commissioners would act in trust, and generally speaking, their duties would resemble those of directors of a joint stock company; by virtue of their office they would do everything necessary to establish and carry out the work, and for this purpose, under provision of statute, would be authorized to raise the necessary capital on interest bearing securities.

It may be anticipated that the whole of the nine governments may not see their way to co-operate in the manner proposed, and that some of them would prefer granting a fixed subsidy as they would to a company. There could be no objection to this course as it would in no way invalidate the general scheme, provided a sufficient number of governments determined to carry it out. Any subsidy received would be applied by the commissioners to the purposes of the undertaking, precisely as subsidies are appropriated by directors of companies in like cases.

There remains another plan by which the Pacific cable might be established under government control. The undertaking may be divided into two sections, the northern and the southern. The cable on the northern section may be laid directly by the Government of Canada, through the medium of the Department of Public Works, while the southern section may be similarly undertaken by one or more of the Australasian Governments. In both cases the governments assuming the duty of carrying out the undertaking would receive from other governments such assistance in the form of subsidies or guarantees as may be agreed upon.

I suggest for your consideration these alternative plans. All will concede that it is desirable to proceed step by step; if it be first determined that the Pacific cable should be established as a government work, and retained under government control, the next step will be to consider the best means of accomplishing that end.

I will only add, that while it is plain much has to be discussed before any plan can be adopted, I am unable to see that any serious difficulty will arise in the arrangement of details. At this stage I will not presume further to take up the time of the conference.

Mr. LEE SMITH.—I have listened with great attention to the able and masterly statement of Mr. Sandford Fleming in regard to this cable, and as we might have expected he has given to us a clear and distinct account of what has been done and what he proposes to do in future. Now, with regard to the amendment which I have put on the table, I very much regret that Mr. Suttor did not accept the suggestion I made, the other day, to alter the terms of his motion, from "Australasia" to "Australia and New Zealand." It would, in that case have saved me taking up the time of the conference and also have prevented the idea being formed that this was a frivolous amendment. I desire to say that it is not frivolous and there is no jealousy whatever in my having proposed that the word "Australia and New Zealand," should be substituted for "Australasia." Of course, all people who have travelled much, know that Australasia and Australia are very distinct, but there are many people who do not travel and people who do not read and do not study the outlying portions of the British Empire, to whom the

words "Australasia and Australia" are one and the same thing. I was in a shop in Ottawa on Saturday, and there an intelligent person who appeared to be in charge of the shop, got talking with me about one thing and another, and he asked me the name of the capital of New Zealand and I told him Wellington, and he then asked me whether there was any railway communication between Wellington and Melbourne, and another gentlemen thought that Bundaburg was in New Zealand. I must take some steps here to preserve, if possible, the distinct individuality of the name "New Zealand." Of course my colony is prepared with regard to all these questions of mail service and cable service, to do exactly what the other colonies are expected to do, and that is to assist in carrying out the objects that we had in view. My colony is prepared on certain conditions to deal liberally with this cable and also the mail service. As I stated before, I have no jealousy in the matter. It is a small matter and I hope the conference will accept it. There is the question of confederation. When that question comes up, I firmly believe that New Zealand will not be included. I am now speaking my own personal opinion and I am in no way committing the New Zealand Government. I do not think New Zealand will join the confederation for some time to come. I do not think it is possible, and therefore I should like to have New Zealand kept apart from Australia in this matter. I hope the members of the conference will agree to this small request, it is nothing to them, but it is a good deal to me. I conclude by moving the amendment that "Australasia" be struck out and that "Australia and New Zealand" be inserted instead.

The VICE PRESIDENT (Sir Adolphe Caron) placed the amendment before the conference.

Hon. Mr. PLAYFORD.—If I second the amendment, I will second it only for the purpose of discussion and leave myself at perfect liberty to vote as I like afterwards. The point I take in connection with the adding of the word "New Zealand" is this: It is entirely a question as to the route to be finally decided upon whether this cable should go to New Zealand or not. If hon. gentlemen will look at the map, they will see that New Zealand is not in the direct line of communication between Vancouver and Australia. To get to New Zealand you have to make a detour around the two sides of a triangle and as New Zealand at the present moment is connected with the mainland of Australia by two cables, although only one is shown on the map, the position is, that if we insert New Zealand, we then practically in the motion fix our route to a considerable extent.

Mr. LEE SMITH.—Certainly not.

Hon. Mr. PLAYFORD.—The question is shall we fix our route in this motion. Mr. Fleming has not in any way indicated what route he would have, and a glance at the map will show that by the insertion in this general resolution of the words "New Zealand and Australia," we would be practically fixing the route for our cable.

Hon. Mr. FITZGERALD.—That will be more costly, of course?

Hon. Mr. PLAYFORD. A very costly route. It may be necessary to go to Fanning Island. If so, a certain amount of objection with regard to New Zealand would disappear. If we go to Honolulu, then we increase the length of line considerably if we call at New Zealand. If we have to go to Necker Island, then to New Zealand the distance is still further increased. New Zealand at the present time has got a double line of cable. I think that at this stage of the proceedings, until we have absolutely fixed the route, we should be prepared to recommend or use the word "Australasia," and leave ourselves absolutely free in the matter.

Colonial Conference.

Mr. LEE SMITH.—It is merely to differentiate the terms "New Zealand" and "Australia," and not to mix them up. I do not want to mix New Zealand up with Australasia. This has nothing to do with the route; it is only in reference to the term.

Sir HENRY WRIXON.—I should think on that specific statement of Mr. Lee Smith that it was merely a matter of names, it would be better to accept his amendment. We know Mr. Lee Smith tells us exactly what he thinks, and that he has no other object behind what he says. If Mr. Lee Smith meant by this amendment that the cable be carried first to New Zealand and then to Australia, of course we would not agree to it for a moment. If he would say that it was a necessary part of the scheme that there should be a branch line for New Zealand, it would be different; but he does not enter into that at all, and it is only a matter of a name, and I do not see why we should not accept it.

Lord JERSEY.—Might I suggest for a moment the terms "the Australasian Colonies and the colony of New Zealand." Australasian Colonies include Tasmania, while Australia does not include Tasmania.

Hon. Mr. SUTTOR.—We used the word Australasia because it did include Tasmania and New Zealand.

Mr. LEE SMITH.—I shall be quite prepared to accept his lordship's suggestion.

Hon Mr. FITZGERALD.—Telegraphic communications by cable is already established between Australia and New Zealand. Now, if this amendment be carried, it would mean that fresh communication should be opened between New Zealand and Australia. I know Mr. Lee Smith's intention, but I do object that a question raised by Mr. Smith, namely, the enlightening of uninformed people as to the exact position of the geography of New Zealand, and the continent of Australia, that we should put this in, in order to give New Zealand a definite place, as it were, in the minds of those who want a cable to Australia.

Mr. LEE SMITH.—But if New Zealand is not going to be included in Mr. Suttor's motion, in the proposal to make a cable distinct apart from the Extension Company, I shall propose another amendment. I am not coming here to represent my government and be prepared to subsidize a cable and find that my colony is not going to have the right of being included in the proposal to have a separate cable. I shall still be perfectly dependent on the Eastern Extension Company. If there is a proposal to connect Australasia with Canada, and I find there is no provision of any kind to connect my colony with Australia in any other manner than the one which exists, this simply means the demoralization of the arrangements to be made between the various colonies. Mr. Fitzgerald puts it in such a way that it necessarily involves New Zealand.

Hon. Mr. FITZGERALD.—I do not offer the slightest opinion in contravention of Mr. Smith's idea, but I also think that this conference would be bound by the terms of this motion to include New Zealand.

Mr. LEE SMITH.—I would accept Mr. Fitzgerald's suggestion, with the understanding that I will have an opportunity of submitting another amendment.

Hon. Mr. SUTTOR.—At a subsequent stage, not during this debate.

Mr. LEE SMITH.—Yes.

Hon. Mr. SUTTOR.—You withdraw the amendment.

Mr. LEE SMITH.—No, I do not withdraw it; I understand the conference is ready to accept it, provided it merely refers to the designation to be given to it.

Hon. Mr. SUTTOR.—I do not think it meets the views of my friend, Mr. Fitzgerald, and it seems to me we should place ourselves in a position of great difficulty, if we adopted the amendment proposed by Mr. Lee Smith. I desire to make this resolution as bald as possible, simply to let this conference affirm at this stage, that there should be telegraphic communication between Canada and Australasia. It seems to me, if we adopt the amendment proposed by Mr. Smith, who represents New Zealand, that we shall at this early stage clearly define the route.

Mr. LEE SMITH.—I do not want that, sir.

Hon. Mr. SUTTOR.—If Mr. Smith does not desire that, why is he not satisfied at this stage to allow the resolution to stand as it is at present—simply affirming the expediency of connecting these two points, the Dominion, the one terminal point, and Australasia on the other? Now if we are going to consider these different routes, why does not Mr. Thynne get up and move an amendment to the effect that in all probability the terminal point of the cable should be at Queensland, and that Queensland should be definitely mentioned.

Mr. LEE SMITH.—No, I should explain that.

Hon. Mr. SUTTOR.—I trust that Mr. Smith will not at this stage hamper the resolution by requiring us in any way to define the route to be taken from here to Australasia.

Mr. LEE SMITH.—It does not define the route.

Hon. Mr. SUTTOR.—I do insist that by saying New Zealand as well as Australasia you practically determine that it shall go by New Zealand.

Mr. LEE SMITH.—You do not do that.

Hon. Mr. SUTTOR.—Then what is the object? It seems to me that if we adopt this amendment at some subsequent stage it may be brought up as an argument that we have already pledged ourselves to a resolution to connect New Zealand between Australasia and Canada.

Hon. Mr. FITZGERALD.—By a fresh cable.

Hon. Mr. SUTTOR.—By a fresh cable, and they already have a cable. It may be that if this cable be laid between Canada and Australia we may be able to purchase the present cable.

Mr. LEE SMITH.—I am looking forward to that.

Hon. Mr. SUTTOR.—Then why not allow the amendment to stand? It is a matter which might fairly be open for discussion. I trust at this stage he will see it is not desirable to insert the words he wishes, but let the resolution stand as a bald one, and not define in any way the colonies to be included. Mr. Fitzgerald represents Tasmania, which is not on the main land of Australia. He might just as well demand that we should insert Tasmania as that you should ask to insert New Zealand. I think the less discussion we have on these minor points the better.

Hon. Mr. FRASER.—It will never do for this conference to pass the amendment because the effect Mr. Fitzgerald suggests will be the result, namely that to make full completion of the motion, it will be necessary that New Zealand be attached to Australia by a fresh cable. The word "Australasia" embraces New Zealand.

Mr. LEE SMITH.—No, it does not in the eyes of the public.

Hon. Mr. FITZGERALD.—It does embrace it.

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Hon. Mr. FRASER.—Oh, yes, it does; we know in Australia that it does. Every man who reads anything about Australia and geography must know that it is so. I sympathize very much indeed with Mr. Smith, and I know that what he states is quite correct; there are many persons in Australia who ought to be better informed who do not know. But public men know differently, and as Australasia will embrace his colony, I hope at this stage of the proceeding he will not complicate matters by insisting upon this amendment.

Mr. LEE SMITH.—The very arguments that Mr. Fraser and Mr. Suttor now make prove my point. It was only on Saturday that Mr. Suttor said, without any qualification whatever, that Australasia embraced New Zealand, and therefore if you are committed to take a line to Australasia, you are bound to take the line to New Zealand in some form or other. But there is, it appears, some doubt whether "Australasia" does include New Zealand. If so, and I allow this to pass, you can go to Australia and not include New Zealand, except secretly; you will not allow it to be mentioned except privately. I am depending then upon the good will of you gentlemen. The point is mainly for the purpose of differentiating it from Australasia, because people do not understand what Australasia means.

Hon. Mr. FORREST.—I merely rise to cast oil upon the troubled waters. I concur with every word which has fallen from Mr. Fitzgerald. At the same time I sympathise with Mr. Lee Smith, but I do not think his way of obtaining what he requires is a proper one. I think we should carry the motion in its present form; and then, we could follow it with another to that effect that it is advisable to continue the line to New Zealand, and that will bring out the fact as to New Zealand, and Mr. Smith will get all he wants.

Sir HENRY DE VILLIERS.—I would like to ask one or two questions of Mr. Sandford Fleming at this stage. I find there was a resolution passed at the Conference of 1887 in these words:—

That the connection of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should without delay be set at rest by a thorough and exhaustive survey.

One question is whether, since the passing of this resolution, there has been an exhaustive survey; and the other question is whether there are any data in existence as to soundings taken between Australia and the Cape of Good Hope so as to enable us to come to a definite decision in regard to a cable from the Cape of Good Hope to Australia?

Mr. SANDFORD FLEMING.—The survey was commenced in 1888, and it extended over that year and lasted until the spring of 1890, but it was not completed. A number of soundings were made between Sydney and the Fiji Islands. The soundings were abandoned for some reason or other that I am not aware of. The whole history of the survey will be found in the blue-book before you. You will find an account of the survey given on page 106 of Mr. Bowell's report on the mission to Australia lying on the table. In regard to the soundings in the Indian Ocean, I may say we have here a chart of the Indian Ocean showing all the soundings which have been made.

Hon. Mr. PLAYFORD.—When I address the conference on this matter I shall be prepared to show to what extent these soundings have gone and their depths. I have the latest map issued by the government on the subject, and I studied it very carefully, and I shall be able to give you the figures for the soundings made from Vancouver to Australia.

Hon. Mr. THYNNE.—As to the insertion of the words New Zealand in the present resolution as proposed by Mr. Smith, it would create a much greater misapprehension in Australia than the present resolution would in Canada. If this amendment were carried it would be more misleading to the people of Australia than the present resolution is to the people of Canada. Our governments would at once think we had passed a resolution binding ourselves to the construction of a cable under sole British control; that would mean either buying up the cable between Australia and New Zealand or constructing a separate cable. We have not considered these questions yet, and it is time enough to consider them when they arise, and I for one would object. As has been suggested to me by Mr. Suttor, he has adopted in his resolution the very words which were adopted in the Conference of 1887.

Hon. Mr. FOSTER.—I want to ask Mr. Suttor what he means by the words "under sole British control?" Reading it over once, it would seem that that would mean the imperial control. Is that the idea?

Hon. Mr. SUTTOR.—I mean by this resolution to carry out the suggestion very frequently made by Mr. Sandford Fleming and other gentlemen advocating the route that if possible the line should be constructed entirely through British territory.

Hon. Mr. FOSTER.—Do you not think that phrase is too strong altogether to carry that out? "Under British control" would mean that the Government of Great Britain would have complete control over it. "On British Territory" would mean a very different thing.

Hon. Mr. FITZGERALD.—You could say "Not touching foreign territory."

Hon. Mr. FOSTER.—That would define it, but I think that term is a little too strong. Then with reference to Mr. Smith's amendment I was disposed at once to sympathize with him, and I do sympathize with him with reference to his desire to have New Zealand differentiated; but I think there is no very great difficulty about the matter. If the cable is to be built, the question of cost is the prime consideration, and I would object to having any words put in which, although under protest at the time being were not for a certain purpose, yet which afterwards might probably be appealed to as certainly meaning that. This is to be built either by contributions or in the way of subsidies, or by the government, and it would make a very great difference whether 1,000 knots were added to the distance or not. Now Australasia does include New Zealand, according to my reading of it, and it is perfectly certain that if Australasia includes New Zealand, and if you differentiate New Zealand from Australasia, we are bound when we come to the question of routes to take that route which will make an independent cable to New Zealand—and that is just what I do not want to see included in the proposition. New Zealand is included in Australasia, just as Tasmania and South Australia are; and then when we come to the question of routes we will be at liberty to say whether it will point in one direction or another, and I think Mr. Smith's position will be kept just as clear without the insertion of these words, because when we come to the question of routes, Mr. Smith's position will be well defined; but if it is put in, I think it puts us all in the position of loading up the proposition before we come to ways and means; and that might make it burdensome.

Mr. LEE SMITH.—I think it would simplify matters if I stated the conclusion I had arrived at, after having heard Lord Jersey's advice in the matter; it is simply this, that

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for the present I accept the term "Australasia," reserving to myself the right to bring up the question hereafter that communication with New Zealand shall be had in some form or another; and I might say there appears to be some doubt as to whether the term Australasia does include New Zealand or not. The act speaks of Australasia and the colony of New Zealand.

Sir ADOLPHE CARON.—I understand Mr. Lee Smith withdraws his amendment?

Mr. LEE SMITH.—Yes, with that reservation.

Hon. Mr. FOSTER.—Would the honourable gentleman think it worth while to take out "under sole British control" and make it "without touching foreign territory"?

Hon. Mr. SUTTOR.—Yes.

Hon. Mr. PLAYFORD moved the adjournment of the Debate.

A REPRESENTATIVE FROM HAWAII.

A letter from Mr. Theo. H. Davies, of Honolulu, was read to the conference, asking if his presence was desired during the discussion of cable and steamship matters.

Hon. Mr. FOSTER.—I move "that Mr. Davies be requested to attend this conference to-morrow and address it on the subject of the cable and steam communication." The motion was carried.

THE PACIFIC CABLE.

Hon. Mr. THYNNE.—I beg to give the following notice:—

"That in the opinion of this conference it is desirable that the construction and maintenance of the proposed cable from Vancouver to Australasia should be undertaken by the Government of Great Britain, of the Dominion of Canada and of the Australasian Colonies as a joint national and public work:

2. That the cost of construction and maintenance of the cable should be borne in the following proportions, namely, Great Britain one third, Dominion of Canada one third, and the Australasian Colonies one third."

The conference adjourned at 12.45 p.m.

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Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,
OTTAWA, TUESDAY, 3rd July, 1894.

The conference resumed at 10.30 a.m.

The President, Hon. MACKENZIE BOWELL, P. C., in the Chair.

DELEGATES PRESENT :

The Imperial Government—The Right Honourable EARL OF JERSEY.

Canada—Hon. MACKENZIE BOWELL.

Sir ADOLPHE CARON, P.C., K.C.M.G.

Hon. GEORGE E. FOSTER, P.C., LL.D.

SANDFORD FLEMING, Esq., C.M.G.

New South Wales—Hon. F. B. SUTTOR, M.L.A.

Tasmania—Hon. NICHOLAS FITZGERALD.

Cape of Good Hope—Hon. Sir HENRY DE VILLIERS, K.C.M.G.

Sir CHARLES MILLS, K.C.M.G., C.B.

South Australia—Hon. THOMAS PLAYFORD.

New Zealand—Mr. A. LEE SMITH.

Victoria—Sir HENRY WRIXON, K.C.M.G.

Hon. NICHOLAS FITZGERALD, M.L.C.

Hon. SIMON FRASER, M.L.C.

Queensland—Hon. A. J. THYNNE, M.L.C.

Hon. WILLIAM FORREST, M.L.C.

THE PACIFIC CABLE.

Hon. Mr. PLAYFORD resumed the debate on Mr. Suttor's motion "That in the opinion of this conference immediate steps should be taken to provide telegraphic communications by cable, under sole British control, between the Dominion of Canada and Australasia," as follows :—

Mr. Chairman and Gentlemen,—As I am from the colony of South Australia, I wish now to inform this conference of the position that my colony takes with regard to the proposed Pacific cable. You are aware that we occupy a somewhat unique position, one different from that of the other colonies. We have constructed a line of telegraph across the continent some two thousand miles long. We have done it at our own expense without any assistance, without any subsidy ; and if a new cable is constructed across the Pacific Ocean the trade that that new cable will do will to a very considerable extent take away the trade from our present land line and cause us to suffer very great loss. At the same time my government wishes me to inform this conference that if this cable is required for imperial and for public purposes, for the good of the Empire, South Australia is not going to stand in the way, and will support the cable. All we ask is this :—That if this cable is to be so subsidized by the various governments our peculiar position shall be taken into account, and anything that we may lose by the construction of this

new line of cable may be minimized as much as possible. That is the position we take with regard to this matter. Now, I will go into a few facts and figures that were partly gone into yesterday by Mr. Fleming with regard to the work South Australia has done in connection with her present line of communication by land and cable with the mother country, with Europe and the rest of the world. In 1870 the Eastern Extension Company agreed to bring a line of cable from Singapore through Java and from a place in Java called Banyuwangi, a straight line of cable from there to Port Darwin on our northern coast. At that time we were in a position different from all the rest of the colonies. If you will look at the map you will see that South Australia stretches right across the continent, from one coast on the north side to the other coast on the south side. She was the only colony that had direct communication right across that continent through her own individual territory and, therefore, from the peculiar geographical position which she occupied with regard to her territory, she was the colony upon which was thrust the necessity for this action. She was in the best position to act, and in 1870 we agreed, although our colony numbered very few more than 200,000 souls, to the construction of a line of telegraph across the continent which at that time had only been traversed by one man in the direction that this telegraph line lay. That man was McDougall Stewart. It was known before that there were very great difficulties in the way of constructing the line, in many cases from the want of necessary and proper timber and, in addition to that, there were large stretches of country upon which no water could be found. It was a very serious undertaking for a small colony and we undertook it and in 1872 we accomplished our purpose. We had a line constructed across the continent and the Eastern Extension Company had their cable landed at Port Darwin: and in October of that year communication was opened up from Australia with the rest of the world by means of the cable.

Hon. Mr. FOSTER.—What is the length of the land line?

Hon. Mr. PLAYFORD.—Nineteen hundred and seventy-five miles. We generally call it in round numbers two thousand miles. Now, we received no subsidy for this and did it wholly without assistance, and in making our charges we made them as low as we possibly could. In fact we made them too low so far as our own interests were concerned, because we anticipated considerably more trade than ever we got. The cost of the line was £506,500. At the end of 1893 it had been working twenty-one years, and the net loss to the colony through the working of that line for twenty-one years is the large sum of £293,282 to the end of 1892-3, an enormous loss to a small community of about 340,000 souls. Now, that loss has been the other colonies' gain. We have charged so low a rate upon our telegraph line that we have sustained this loss in consequence, and the neighbouring colonies and our own people who were receiving telegrams from the outside world have participated in the benefit of having their telegrams or cablegrams taken at a lower rate than they really ought to have been so far as South Australia is concerned.

Hon. Mr. FOSTER.—Did you count in the cost, the interest on investment, the maintenance and all that?

Hon. Mr. PLAYFORD.—Yes, it is all fairly taken into account. I do not wish to go into the figures year by year. I have the whole thing here set forth in a parliamentary paper, and it is all worked out showing the interest that we have to pay on the money that we borrowed in London for the construction of the line.

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Hon. Mr. FITZGERALD.—What rate did you borrow at?

Hon. Mr. PLAYFORD.—Four per cent, I think. I am not sure, some may have been borrowed at five per cent. In 1870 we were not borrowing money at very cheap rates. However, we simply put down the interest we have got to pay and the working expenses on the one side, and the total receipts on the other side, and struck a balance whatever it would be. Unfortunately it has been a debit with the exception of two years. With that exception it has been on the wrong side, and the total I have given you is the net loss that we have sustained in consequence of working the line for these twenty-one years. We never adopted the principle that was adopted by India. For instance, for many years up to within a few years ago the Indian Government charged all cable messages that came to Australia from Bombay and Madras at rates double those they charged their own people for a similar message across the same distance. The Conference of 1887 called particular attention to this and they considerably reduced their rate; but for years they made a really good profit out of it, whereas South Australia made her charges so low that they did not pay expenses in connection with their land line and acted in a totally different spirit from the Indian Government which insisted upon charging a very much higher rate, nearly double, for messages that went to Australia across their land line than they were charging their own people for similar messages across a similar distance. Now, in May, 1891, the rates between Australia and London were reduced. This was in consequence of the agitation that was got up in the colonies owing to the highness of the rate, full expression to which was given at the Imperial Conference of 1887, in London. Sir John Pender was examined on the subject, and he then suggested a way by which the Cable Company would be prepared to reduce the rates. For some considerable time negotiations went on, and in 1891, the full alteration was made in the rates. The ordinary rates then were 9 shillings and 4 pence a word from London, and they were then reduced to 4 shillings a word. Government messages were at that time 7 shillings 1 penny and they were reduced to 3 shillings 6 pence. Press messages were at that time 2 shillings 8 pence and they were then reduced to 1 shilling 10 pence a word. This was all done on, the colonies guaranteeing to the Eastern Extension Company one-half of the loss that they might sustain in consequence of the reduction of the rates which was really more than one-half. They took one particular year and said: "These are our receipts at the present time" one hundred and ninety odd thousand pounds or something like that—"when we reduce the rates if our receipts go below £191,000, whatever they go below we will sustain one-half the loss and you will make up the other half. If you think the business is going to increase considerably, in consequence of the reduced rates, so much the better for you. We sustain one-half the loss, you sustain the other half." An arrangement, also had to be made with South Australia on our land line. At that time our transit rate across the continent was 1s. 1d. a word, and that was reduced to 5d. The other colonies recognizing what we had done to procure telegraphic communication with Europe and the rest of the world, knowing the loss that we sustained in consequence of our not having charged sufficient to cover our working expenses and interest on the money we borrowed, very kindly came forward and generously asked "What do you estimate your loss at on the reduction?" Sir Charles Todd, the telegraphic superintendent and Postmaster General of our colony, who is a civil servant and not a Minister of the Crown, said he estimated it at from

£10,000 to £12,000 a year. The colonies then entered into a compact with South Australia, saying: "You reduce the rate to 5d. and we will do this for you:—We will *pro rata* according to our population, make up the loss. You *pro rata* sustaining your loss." The result has been since then, they have carried out that agreement and, I have no doubt, will continue to carry it out, because they saw that South Australia had lost so considerably in the past that they thought it was only fair to release her from any prospective loss, which they did in this generous way. Now in 1891-2—I am now confining my observation to making up the loss to South Australia—the loss was £10,414 on the South Australia land line alone in consequence of these reductions, of which the colonies paid South Australia the sum of £9,218 12s. 8d., the balance being her proportion to her population of the loss. Now, in 1892-3 the loss was reduced from £10,000 to £7,675, of which the colonies paid South Australia £6,816. In 1892, altogether, the colonies paid the Eastern Extension Company on their guarantee of their half of the loss, owing to the reduced rates, the sum of £27,520. In the second year, 1892-3, it was reduced from £27,540 to £21,778. Now we have to consider how these reductions were brought about, because they were not brought about, as you might imagine, by an increase of traffic, but wholly by another state of things. The colonies felt that they were paying a considerable sum in consequence of this reduction of the rate, and they said to the Eastern Extension Company: "You may increase the rates a little and thus let us reduce our loss"—that is, the loss that they had to make good to the Eastern Extension Company and South Australia. They increased our word rates. They did *not* interfere with the government rates or press rates, but increased their ordinary rates from 4s. to 4s. 9d. a word. South Australia's transient rates had been reduced from 1s. 1d. to 5d. and we increased it to 7d. That accounts for the fact that in the second year that I alluded to there was considerable reduction in the amount of loss, because there was an increase in the transit rates. Then what made the loss still less in these years was that in 1893, (Honourable gentlemen of this conference will recollect), the colonies passed through a financial crisis, and that crisis added very considerably to the business of the company, because of the increase of messages that passed between England and Australia. Some of the agents telegraphed in many cases, the whole of the text of the terms that had been entered into when reconstructing the banks. They telegraphed every word and paid hundreds of pounds frequently for one telegram. That won't occur again, I hope; so, we cannot expect for years to get anything like the heavy amount for cable rates that we did in 1893. Now, I think, the colony which I represent should certainly receive some consideration, if this Pacific line of cable is to be constructed, with government subsidies, owing to the position that South Australia has occupied.

I am sorry that Western Australia is not represented here, because she has a very considerable interest in this matter. We have some interest in connection with Western Australia, because directly we made the communication across the continent we felt it only fair that Western Australia should be connected with us, and we made a land line at a cost of £70,000, which never paid interest on the money. We made the land line to connect Perth with the principal cities of the colonies, not merely to connect Western Australia with Great Britain and the rest of the world, but also with the neighbouring colonies. She met us, and she did more; she constructed a line of telegraph right along her north coast to Rhobuck Bay; and the Eastern Extension Company, alive to the importance of keeping communication open as much as possible, constructed a

special cable between Java and Rhobuck Bay ; so that if any interruption takes place on any of the lines to Port Darwin, we have a third line through Western Australia ; and therefore, I am sorry she is not represented. She spent a very large sum of money in the construction of this land line for the purpose of getting another means of communication in case the communications by the routes through South Australia broke down in any way ; she spent a considerable sum of money, and they get a subsidy from South Australia, I think, of about £1,000 a year. Our line takes the whole of the messages ; it is an easier line to work, running through the continent from north to south ; whereas the other line runs along the coast, and is more liable to be interrupted by thunder storms and atmospheric causes, messages have to be repeated at shorter distances than on our land line ; but Western Australia deserves great consideration on account of the work she has done in making a land line by which the colonies are by means of the cable to Rhobuck Bay, laid by the Eastern Extension Company, secured against nearly all possible chance of being cut off from the rest of the world. If you are going to lay a cable across the Pacific there will be a competing line with the lines already in existence. South Australia and Western Australia, at all events have not gone into this matter in a commercial spirit at all, but simply for the purpose of helping themselves and helping their neighbours to be brought into connection with the mother country, desiring to make no profit out of it, as an ordinary company would ; therefore, consideration should be given to their claims. Supposing this new line is made by government subsidies, Western Australia has considerable claim to consideration in the matter. Now, I think I have put very clearly before the conference the position of the colony of South Australia, and I have given, as briefly as I possibly can, the money we have spent, the work we have done, the losses we have sustained and the losses we shall undoubtedly sustain in the future if this cable is taken through the Pacific. We will not oppose it if it is required for imperial or public purposes ; we will support it ; but we will ask that those colonies that do subsidize the cable and do assist in its construction shall take our case into consideration, and not let us too severely suffer for our pluck and enterprise in years gone by when we were a small community, and when the success of the enterprise that we undertook was very doubtful.

Hon. Mr. FOSTER.—What do you think you will lose ?

Hon. Mr. PLAYFORD.—It will take our messages. If you want to send a message from Vancouver to Australia you have to send it across our line, and if this cable is constructed you send it across the Pacific line.

Hon. Mr. FOSTER.—Will not the general increase of business make it up ?

Hon. Mr. PLAYFORD.—I think you will find it will not make it up. In our case, we were under the impression that the increase of business would make it up, but we found it did not, and we had to raise the rates a trifle to make up for it. By means of codes you are able to telegraph an immense amount of information with very little expense ; and if I, as a private individual, who have no code, want to send a message to Australia, if I were in London, I would go to Dalziel's or Reuter's, or some agents, and they would telegraph it by their code and give it to my friend in the colonies ; and the result is very few words are sent after all ; and the increase in the amount of business done in consequence of the reduction of the rate is very much less than might be anticipated. We have given it a good fair trial, and we have found how mistaken we were in supposing the increase would be as great as we originally imagined.

Having shown the position of South Australia in the matter, I wish to say a few words on the general subject, and I will simply give you my own individual opinion. I shall not speak in any sense as representing the opinions or views of my government. Hitherto I have done it; I have done it as representing the South Australian colony, and I have done it as a friend to Western Australia in representing their claims to you. What I have previously said I have said with the full concurrence of my own government, and I know I am expressing the views of my own colony and government. What I am going to say now is the result of a considerable amount of research about this Pacific cable, and I will give you the result of my inquiries. I do not speak as an expert, but I think I have certain information which is worthy of your consideration, because in considering this subject we will have to look at the difficulties attending it, and I want to point out a few of those difficulties. It is all very well to say it is desirable to construct a cable across the Pacific; no doubt it is desirable; nobody will dispute that for a moment. It is very often desirable to do a great many things, but the question of cost, and the questions of whether it will pay, and so forth, come in, and we have therefore to look at all the difficulties attending the position, and I wish just to say a few words with regard to this cable, and point out to you some of the difficulties I see attending its construction, and cost in connection therewith. Of course in considering the construction of this line of cable, the first question we ask is, Is it wanted? And if it is wanted, what is it wanted for? So far as connecting any part of the world—at all events the continents of the world—with Australia, it is not wanted; they are all connected now. I can send a telegram from here to-day, and have it landed in any part of Australia in a very few hours. In fact, the time of day in which it will get to Australia will be backward in many cases; that is to say, the telegram will get there before it has been sent, if you can understand that. There are nine hours difference in time, and you date it a certain hour; it takes three hours to send it; and the result is that we have, in some instances been informed of the death of a man at six o'clock in London before six o'clock in South Australia; we hear of his death before it occurs.

MR. LEE SMITH.—That is not usual in commercial matters.

HON. MR. PLAYFORD.—We ask, therefore, what is it wanted for? And I think we may safely say it is not wanted to connect the colonies with Europe, Asia, Africa or America, they are all connected now; and we are connected by a system which can do five times the amount of work without the slightest difficulty that we are doing along the lines now. We have in every instance duplicate, triplicate, quadruplicate cable the whole of the way; if one breaks down there is another to rely upon; and so we have the best means of communication that we can possibly have at the present time; therefore, it is not wanted for that purpose. And then we have got another question to ask in connection with it, what do the colonies pay for the present line of communication? The colonies pay a great deal now. Here are the figures. Take 1892-3, which is the time when they paid the lowest; they never paid such a small sum as this since the guarantees were entered into; they paid the last year, 1892-3 £6,813 to South Australia for the reduction of rates on her land line. They gave to the Eastern Extension Company £32,400 for a cable subsidy; they gave to the Eastern Extension Company for the cable guarantee fund £21,778. I am leaving out the loss South Australia sustained in consequence of the reduction of rates, because I have not reckoned that, and it would be fair enough that that should go down as a payment. Some £60,990

was paid by the colonies last year for the present communication in the way of guarantees and subsidies.

The PRESIDENT.—How long are you bound to pay?

Hon. Mr. PLAYFORD—Till the end of the century, about five years; and the cable guarantee fund is a guarantee that the Eastern Extension Company shall not suffer more than half the loss in consequence of the reduction of rates. I do not know how long it runs. However, we pay this now for the present line of communication, and a considerable portion of this we shall have to continue to pay; there is no doubt about that. This does not include special sums that are paid by New Zealand for the two cables that connect her with Australia, nor does it include the £4,000 paid by New South Wales and Queensland for the New Caledonia cable, nor the subsidy paid by Tasmania for the short cable from Melbourne to Tasmania, and in round figures you may say we paid last year some £70,000 towards the present cable communication we have with the outside world in Australia. Now, it is said it is wanted for the purpose of connecting America by a shorter route with Australia, and to give telegraphic communication with certain islands in the Pacific. No doubt it is desirable, and I admit it; but what are you going to gain by your telegraph communication with those islands that you connect? There is little or no trade with them, and there never will be a very big trade or business as far as I can see. But the main stress is laid by the advocates of the cable upon its strategic importance. Now, then, if it is wanted for strategic purposes, how is it that we never received a report from an expert from the Imperial Office, showing that it was so wanted? How is it that Mr. Fleming and Sir Charles Tupper and other gentlemen who have taken a deep interest in this cable, advocating it on the ground that it would be of such great benefit to the Empire in case of war have never, during all these years since the Imperial Conference met in 1887, got the opinion, through the Colonial office, of course, of some imperial officer fitted by his position and his knowledge to express an opinion on the subject? Why, gentlemen, we have no such information. You have got the hydrographer's opinion; he is opposed to it; he says it is not wanted for the defence of the Empire; the post office say they do not want it. Now, that is all you have got, and you have nothing more. In no case can you bring me forward the opinion of a gentleman who, on account of his special knowledge, could give us an opinion as an expert; we have got no such opinion that I am aware of with regard to it being necessary for strategical purpose. And I do think that it is somewhat singular that Mr. Fleming or Sir Charles Tupper did not approach the Colonial office, did not ask for a special report from some imperial officer and did not obtain these facts for our information before this conference. I have heard Mr. Fleming, and I had hoped to hear that he had approached the Colonial office, and I hoped when he read his paper the other day that he would show us he was backed up in his assertion that it was required for strategical purposes by some competent authority; but no such competent authority has up to the present time, I point out, been produced. So far as we know, the imperial authorities do not consider this of great importance for strategical purpose.

Now, let us briefly trace the history of this proposed cable. The first paper that I have seen on the subject is dated in 1886. I daresay it was talked about in Britain long enough before, but these things do not come to a head or usually do we get a definite proposal until some little agitation has been going on outside, and a great many minds have been exercised about it. The first paper I have been able to get on the subject is

one dated 1886, by Mr. Sandford Fleming. It estimates the cost of this line at £2,500,000. He wanted then a subsidy of £100,000 per annum, and his proposal was as follows, that Great Britain was to pay one-half £50,000 a year, that Canada, New South Wales, Victoria and Queensland were to pay £10,000 each, that New Zealand, Tasmania and Western Australia should pay £10,000 between them, and he left South Australia out of the calculation altogether. Knowing what injury the cable would do to us, he could not expect us to be a party to put our hands in our pockets to give a special subsidy. That is the first proposal.

MR. SANDFORD FLEMING.—That was from Australia to England.

HON. THOMAS PLAYFORD.—Did you mean a cable across the Atlantic as well?

MR. SANDFORD FLEMING.—Yes.

HON. THOMAS PLAYFORD.—In the paper in question I have no recollection of any reference to an Atlantic cable. The Imperial Conference met the next year, 1887, and this question was by them most carefully considered. We had Mr. Fleming with his paper. We had a Mr. Hatton on behalf of the Pacific Telegraph Company with his statement, and we had Sir John Pender, the chairman of the Eastern Extension Company examined, and we had his paper as to the proposed cost, and so on; they devoted a great deal of time to the consideration of the question: they examined a number of witnesses, and they went into the matter most fully. Three points were brought under their consideration with regard to the proposed cable. The first was on behalf of the Pacific Telegraph Company, represented by Mr. Hatton, who offered to construct a line on receiving a guaranteed subsidy of £100,000 a year for twenty-five years. The rates were not to exceed four shillings a word. There was another proposal which was advocated by Mr. Hofmeyn and the Cape delegates, in which they suggested a line by way of the Cape of Good Hope to Western Australia, either by way of Mauritius or by way of St. Paul's Island, as mentioned by Mr. Fleming in the interesting paper he read to us the other day. And the third proposal was Mr. Fleming's, who was one of the delegates from Canada and who was in favour of the line being constructed by the different governments. In fact Mr. Fleming from that day to this has never wavered in his opinion that if the line is constructed at all it will be better and cheaper and more satisfactory if it is done by the governments in preference to a private company. He took up that position in 1887, and he has held to it all through; and how eloquently and how carefully he puts the points in connection with the interests of the governments doing it over the companies doing it. And here I might be allowed to say, as I have got to that point, that I entirely concur personally with Mr. Fleming that if you are going to construct a cable across the Pacific it ought to be in the hands of the government in preference to being in the hands of a company for the reasons he has already advanced. (Hear, hear.) Now, what was the decision arrived at? And here, perhaps, I might be allowed to read the decision arrived at by that conference. I have it here. It consisted of two resolutions, page 514, second volume. It commences with a resolution very similar to the one we have under consideration now:—

That the connection recently formed through Canada, from the Atlantic to the Pacific, by railway telegraph, opens a new and alternative line of imperial communication over the high seas and through British possessions, which promises to be one of great value alike in naval, military, commercial and political aspects.

That the connection of Canada with Australasia, by direct submarine telegraph across the Pacific, is a project of high importance to the Empire, and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey.

Now comes the question, what has been done since then? Are we to-day, in 1894, in a better position than the Imperial Conference to consider this question? I say no. Nothing has been done since then, with the exception of the "Egeria" making a few soundings between Fiji and Australia. This thorough exhaustive survey has never been made, and we are certainly not in a position to deal with the subject any better than the Imperial Conference was, who, after taking all the evidence they could get on the subject, and going carefully into the matter, came to the conclusion that they could not deal with it, that they could not further consider it until an exhaustive survey of the route had been made. Now, I will quote what the gentleman representing Canada said on that occasion, Sir Alexander Campbell. He moved the above resolutions, and this is what he said, among other things:—

Mr. Fleming is exceedingly competent to give an opinion upon the subject. The view expressed by him as to the depth of the ocean needs to be confirmed by an exhaustive survey.

He was favourable to the views that had been enunciated by his fellow-delegate, Mr. Fleming, but, at the same time, he, representing Canada at that conference, said: "Until we have this exhaustive survey, we can do nothing." Now, we will take what Mr. Fleming himself says on the subject. Mr. Fleming, on page 515, says:—

It must be admitted, however, that the facts regarding the Pacific are somewhat meagre, and it is really a matter of very great importance that every doubt should be set at rest by having a proper nautical survey made with the least possible delay."

There is the opinion of Mr. Fleming. Now, we will go a little further, and take the opinion of the Premier of Queensland, one of the colonies more deeply interested than any except, perhaps, New South Wales, of the Australian group. What does Sir Samuel Griffith say on this very subject:—

I hope that some steps may be taken, and I hope that the delegates will join in impressing upon Her Majesty's Government the importance, if they can, either of undertaking the survey of the Pacific, or of assisting us in that survey, because it is quite clear that until we know how far that cable can be laid there, it is idle to consider the conditions upon which we should undertake to lay it.

Now, gentlemen, that is the position clearly laid down by the conference, unanimously laid down by the representatives of Canada on the one end of the line, and by the representative of Queensland at the other end of the line—because it is almost sure to touch Queensland on the other end—agreed to by Mr. Fleming himself, who has been so enthusiastic in connection with this cable that, before we can do anything in connection with the consideration of whether we will undertake the laying of the cable, we, at all events, must have an exhaustive survey of the proposed route; and we must be thoroughly certain we can lay the cable, and know exactly what depth we will have to lay it, and what difficulties we will have to surmount, and all matters connected therewith; and I say we are in no better position to-day than they were in 1857. We have had no more soundings since then practically, and we are certainly not in any better position to-day than we were then. In connection with this cable, we have had such a multiplicity of routes that if I were to take up the time of conference in going over all the proposed routes on the Pacific I should weary you. Mr. Fleming has proposed no less than four and given estimates of no less than four. Conferences in Australia have considered the question, and the latest conference we have had on the subject is the conference held in the early part of this year in Wellington, an account of whose proceedings I only got by mail after I arrived here—a copy of the resolutions they carried and an account of their proceedings. This Wellington Conference agreed to a route. They agreed that the route should start from Queensland and go to New Zealand, from New Zealand to Fiji, from Fiji to Samoa, then from Samoa to Fanning Island,

then from Fanning Island to Honolulu and from thence to Vancouver. That route is not marked on any maps I have seen here, but I have a map in which the route is clearly marked down, which also shows all the soundings, and members of the conference can see it for themselves; and I will confine myself to that route, although that route does not conform to our proposed resolution. It does not avoid foreign soil. It goes to Samoa, which is under the joint protectorate of America, Germany and Great Britain; it goes to Honolulu, which is practically American; there is no doubt about it, and will be, sooner or later, I believe, part of that great republic. However, I have to take one particular line and argue upon it, and it appears to me the line I ought to take to argue is the line that the conference of New Zealand adopted—a conference of all the colonies. They met in Wellington at the commencement of this year and after considerable deliberation agreed unanimously upon this particular line. Therefore, I take that line and leave out of my consideration altogether the lines that have been advocated by Mr. Fleming or that have been advocated by others. Now I will read the resolution that was passed at that conference. The resolution reads as follows:—

That considering the importance of the interests involved both of a national and commercial character in the establishment of a Pacific cable, the representatives of the respective colonies assembled at this conference recommend their governments to consider the desirability of entering into a guarantee with the other colonies interested for a period not exceeding 14 years, and to guarantee interest at 4 per cent on a capital of not more than £1,800,000, to any company undertaking the laying of a Pacific cable, the tariff not to exceed three shillings per word for ordinary telegrams, and two shillings per word for Government telegrams, and one and sixpence per word for press telegrams to and from Great Britain and the colonies; and that the United Kingdom be asked to join in the guarantee, the routes to be either of the following, Brisbane to Aphira Bay (New Zealand), Aphira Bay to Suva, Suva to Apia, Apia to Fanning Island, Fanning Island to Sandwich Islands, Sandwich Islands to Vancouver, or from New Zealand to Suva, Suva to Apia, Apia to Fanning Islands, Fanning Islands to Sandwich Islands, Sandwich Islands to Vancouver.

The second line proposed starts from New Zealand and utilises the duplicate cables from Australia, following the route I have indicated to Vancouver. That resolution was agreed to as late as the commencement of this year, and I take that line for the basis of my criticism.

Now the following are the distances by this route:—From Vancouver to Honolulu, the distance in miles is 2,360. In laying a cable, of course you have to allow for what they call slack, and our Postmaster General, Sir Charles Todd, informs me that he considers 20 per cent will be required in crossing the Pacific. I therefore allow 20 per cent for slack, which makes the distance Vancouver to Honolulu 2,832. From Honolulu it goes to Fanning Island, a distance in miles of 1,050, allowing for slack 1,250; from Fanning Island it goes to Samoa—Apia it says in the resolution, but I give the name of the group instead of the little island—that is 1,330 miles, or, allowing for slack, 1,500; Samoa to Fiji, 678 miles, allowing for slack 814; from Fiji to New Zealand, 1,052, allowing for slack, 1,262.

So that, supposing by this alternative route it has only to go to New Zealand, and not directly to Australia, the distance the cable will have to be laid will be 6,470 miles or, allowing for slack, 7,764 miles. Then, supposing that route is adopted, they would go of course, from the Island to the main land by means of the two cables there at present which have been laid by the Eastern Extension Company; but supposing it is agreed to take an independent cable, then your distances would be as follows: from New Zealand to Australia 1,192 miles; allowing for slack 1,430; the number of miles, therefore, which the cable would have to be laid would be 7,762, or, allowing for slack, 9,994 miles. That would be the necessary mileage in order to connect Vancouver, the one terminus, with Queensland, the other terminus. Now, we come to the question, what are the soundings?

There are six sections; five to New Zealand and the one from New Zealand to the mainland. On section number one there are no soundings at all, from Vancouver to Honolulu, but there are soundings between San Francisco and that place.

Hon. Mr. THYNNE.—Which had been made since 1887.

Hon. THOMAS PLAYFORD.—No, the "Tuscarora" made them before 1887, and they are referred to in the proceedings of the conference. It was done by the United States before 1887. They have not been made at all since, because they would not be made by us from San Francisco under any circumstances, because it was never contemplated to connect the line there. They were made by the United States Government before the conference. But the soundings that exist from San Francisco range from the shortest distance, 1,117 fathoms to 3,115 fathoms; it is getting up close up to 20,000 feet, with a drop along the line of 1,000 fathoms. Now in number two, from Honolulu to Fanning Island, there are no soundings, but parallel soundings have been made to an island called Phoenix Island; that ranges from 205 fathoms to 3,080 fathoms, with a drop of 3,000 fathoms in one place; and I need only inform honourable gentleman how necessary it is to have very careful surveys to miss the inequalities and to go round them through seas liable to volcanic eruptions like the Pacific. Between Honolulu and Fanning Island there are no soundings, but there are between that point and Phoenix Island, and I have given the depths. Now number three, from Fanning Island to Samoa there are only soundings for a short distance; they range from 2,746 fathoms to 2,764. Number four there are only two soundings, one at the Samoa end and one at the Fiji end; Samoa end 2,600 fathoms and Fiji 2,805. From Fiji to Australia it has practically been surveyed the whole of the way, and the soundings are favourable, the position being that for about 5,000 miles out of 7,000 miles, speaking roughly, and leaving out odd miles, for 5,000 out of 7,000 miles we have no soundings at all. Now that is the position that I find from looking at this latest chart that I got in London, and which, I am informed by the Admiralty contains the latest soundings and the whole of the soundings that have been made on the Pacific.

The PRESIDENT.—That 5,000 miles is where?

Hon. Mr. PLAYFORD.—It is at this end; the other end is all right from Fiji, but from Fiji along this way the soundings are not made. Now, I wish to read you part of a report that was given to me by Sir Charles Todd, who not only has a colonial reputation, but a European reputation, a gentleman well acquainted with telegraphy and thoroughly competent to give an opinion, whose whole life up to the present time has been engaged in matters connected with telegraphy, and who is an acknowledged authority on the subject. I do not propose to read the whole of the report, but I intend to read part of it, because it speaks with great authority on this matter, and I will commence with the route selected by the New Zealand Conference, Vancouver to Honolulu, Fanning Island, Samoa, Fiji, New Zealand and Queensland:—

This route is less open to objection on account of long sections of cable, but it does not altogether comply with the conditions laid down by the promoters that the cable is not to touch at foreign ports. The cost is estimated at £1,800,000, on which, the resolution agreed to at New Zealand proposes a joint guarantee of 4 per cent for 14 years.

The through charge on private messages is fixed by the resolution at 3s. a word, and the press messages at 1s. 6d. Out of the 3s. at the ordinary existing rates, the company would have to pay out 1s. 3d. per word for transmission between Vancouver and England, or, say 1s. as probably special concessions will be granted. This would leave 2s. a word for the Pacific Company and say about 1s. on press matter.

"In estimating the revenue it has been assumed that the traffic will be equally divided between the Pacific and Eastern Extension Company, but such would not be the case. All that the former

could expect would be the whole, perhaps, of the North American business, which as I have already said is about 4 per cent of the whole, and possibly one half of the messages to and from the United Kingdom. It would get little from Europe and none from the east, India. The Straits Settlements, China, &c., all of which business would still flow through the Eastern Extension Company's cables; and the latter Company, it must be remembered, would not, like the Pacific Company, be wholly dependent or nearly so, on Australian traffic, as it carries all the international telegrams of the eastern countries within reach of its cables. The Eastern Extension Company is also closely associated with the Eastern Company, and the land lines to India via Persia.

In the event, therefore, of a war of tariff that company would be in a far better position than its rival, and in such a case I see nothing but ruin to the latter, if not supported by extravagant subsidies. The company would have to come on terms with the Eastern Extension Company, whose loss, under any circumstances, would also be very great.

Taking everything into consideration, I should not feel justified in estimating a greater revenue for the Pacific cable than £50,000 a year.

The working expenses including cable ship, &c., may be set down at £50,000 to £60,000.

At least 3 per cent—better still 4 per cent,—should be set aside for amortization, or say £60,000.

The financial position would therefore be as follows:—

Capital.....	£1,800,000
Revenue.....	£50,000
Guarantee 4 per cent, on £1,800,000	£72,000
Working expenses including maintenance of cables, ships &c., say	£55,000
Amortization.....	60,000

Leaving no margin of profit to shareholders who ought to get at least 7 per cent on such a risk / venture.

Mr. Fleming suggests that the cable should be the joint property of the governments interested, namely Great Britain, Canada and Australasia, who might raise the capital at 2½ per cent. I do not see any practical difficulties in the way, but still it might be done, and if so the position would be as follows:—

Annual cost £1,800,000 at 2½.....	£45,000
Working expenses and maintenance as before.....	55,000
Amortization.....	60,000
Revenue.....	£160,000
	50,000
Loss.....	£110,000

So the colonies would have to put their hands into their pockets to the tune of £110,000 to make up the loss according to these figures; and I know they are made not from a one-sided view of the question, but from an earnest desire only to speak what he believes to be the absolute truth in the matter.

That is the proprietary governments would for some time have to pay £110,000, or more probably £120,000, a year to keep the line open.

It must be further remembered that the cable would have to be laid at great depths, with abrupt inequalities, and over coral reefs, and as the British hydrographer very properly states 'It would require a long and minute search by a vessel specially fitted for sounding before the best route could be selected.'

Much is made by the promoters that this cable is wanted for strategic purposes—in the event of war it would add to the security of the Empire. On this point the British hydrographer says in his report to the Admiralty:—

"Looked at from an Admiralty point of view the sole advantage of a submarine cable across the Pacific would be the power of communication afforded with ships at Honolulu and the Fijis and the surrounding groups. This advantage cannot be considered as, in peace time, great, and it would not appear in time of war to be important as the Fijis are the sole possession affected."

Now, there is the British officer talking about the strategic cable; in time of war he says it does not appear to be very important.

Hon. Mr. FITZGERALD.—He is not a military officer.

Hon. Mr. SUTTOR.—He is a naval officer.

Hon. Mr. PLAYFORD.—He is a naval officer, I should imagine.

Lord JERSEY.—Oh, yes.

Hon. Mr. PLAYFORD.—Sir Charles goes on to say:—

It is said the present cables would be cut by the enemy, so of course would any cable laid under the Pacific. The latter being in long lengths could not be so easily repaired, nor could any particular section, if interrupted, be promptly bridged over by fast steamers.

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I may point out when our cable was interrupted, as it was, when we had only one cable, the space was bridged over by a fast steamer, running over and transmitting the messages, and only a few days were lost.

The short lengths of the Eastern and Eastern Extension Company's cables present advantages in this respect, whilst their importance connecting, as they do, the whole of the east with England, would lead to their being efficiently protected by fast cruisers patrolling the entire route. The weakest point in the present line of communication is, no doubt, in the Mediterranean, as France and Russia are the only two countries with which England is likely to be embroiled, but since General Brackenbury wrote on this subject, the English navy has been and is still being greatly strengthened.

This is the first time I have been able to see any reference to General Brackenbury, and I have never seen his report, but in talking with some of the members of the conference in London, they stated they believed the report was given to the conference, but it was to be kept secret. I should like to see that report. This was only put in my hands as I was leaving Adelaide and I had not time to communicate. This report seems to have been confidential because it never got into the papers. I recollect one of the members stating that they would have Brackenbury's report to consider later on, but I looked carefully through the proceedings and never could find any reference to it, so it must have been kept secret. I suppose it went into the probabilities of war, and it would not do for it to get abroad and get into foreign parts. Then he continues :—

At the worst, however, if the Mediterranean cables were severed we would still have an alternative line through friendly states in Europe. And there is besides a continuous chain of cables down the west and east coasts of Africa owned and worked, I believe, entirely by English companies, and although they touch at some points foreign territory they could with comparative ease be relaid or joined over and protected. These cables would connect at Aden. East of Suez or Aden the cables would be so carefully guarded as to secure practically uninterrupted communication.

Now, I wish to refer to another point. It is no use considering this subject in the light of one cable. You are only throwing away your time, and you are only going to bring disappointment and trouble in future if you do. Our experience has been, I say, that one cable cannot be relied upon, and that you must have two. Our experience in the first place was with a cable that was laid by the Eastern Extension Company from Banyuwangi to Fort Darwin; they laid one line of cable; for that they got no subsidy. Sir John Pender was perfectly right in his statement that when they laid the cable first to Australia they never got any subsidy at all, but when we complained of the constant interruptions, Sir John Pender said "We can do all our work on the line; it will not pay us with our amount of business to lay another cable, but if you like to give us a fair amount of interest on what a second cable would cost, we will lay a second cable;" and the colonies agreed to pay to the end of the century a subsidy at the rate of £32,000 a year, which was the interest on the money required for the construction of this line of cable; and the cable was laid. We were so impressed in the colonies with the absolute necessity of a second line of cable, that we agreed to put our hands into our pockets to the tune of over £30,000 odd a year in order to get it. Now, let us go a little closer and consider what has been done across the Atlantic. As far as my reading extends, the first cable laid would not speak very well. I think they got a message through at first, but it was found useless; the second cable was laid by the Great Eastern; it broke, and the Great Eastern laid another; and after she had laid it successfully she picked up the cable that was broke, spliced it, and there were then two cables. When telegraphic communication was opened with America two cables were within a short time of each other, laid and at work. Then, I think, the next to lay a cable was Mr. Bennett, of the *New York Herald*. Did he lay one cable? No, he laid two cables. If one of his cables had broken there was still

the other to send messages by; he knew his messages would go all right even if one cable broke. Who was the next? Jay Gould. He laid down two, and subsequently sold them. And take the lines that we have from Australia at the present time; starting from Australia we have three cables, two from Port Darwin and one from Rhobach Bay. Go along further and you see four cables laid down. There is a multiplicity of cables; so that in no case between England and Australia are we at present dependent upon less than three cables. It has been found imperatively necessary, in every instance where cables are laid in long distances, that they should be duplicated at the very least, if not triplicated. And, therefore, in considering this subject, you must consider it in the light that you will have to lay two cables. Sir Charles Todd told me two cables were necessary; he had no doubt on that point. He said "I have not touched it, I have only alluded to one cable, and I have criticised it as lightly as I possibly can, but two cables must be laid, and the second one must be laid shortly after the first one is laid." Therefore, in making any estimate of the cost of cable communication between Vancouver and Australia, you must make provision for two cables, and that will go a long way to double the estimated cost as given by Sir Charles Todd.

Now, I come to another subject. Since the conference in 1887, a gentleman called Mr. Audley Coote, who has been for many years advocating a line of cable across the Pacific, entered into communication with the French Government, and suggested that a line of cable should be laid from New Caledonia to Australia and that that should form the first link in the chain of a Pacific cable to some point in America. Two of the colonies agreed to subsidize that first link; I do not mean to say that they agreed to subsidize it with the intention of ever subsidizing it any further; but in doing this, so far as the printed correspondence is concerned, they, I imagine, led Mr. Audley Coote to believe that they would, because he distinctly referred to it as the first link in the line across the Pacific, and he never departed from that position. New South Wales pays £2,000 a year towards it, and has agreed to pay it for 14 years, and Queensland has done likewise. When it became known in the Australian colonies that this arrangement had been made, there was a considerable amount of hostile criticism on the action of these two colonies in subsidizing a line going to New Caledonia. If that line was in any sense to be considered a link in the chain of communication across the Pacific, they have since said that they do not intend to go any further; they intend to stop at New Caledonia.

In connection with this point, I wish to allude to a matter upon which there is a good deal of misconception in some of the colonies, and I think that at the earliest possible moment we should set that misconception right. Mr. Audley Coote in one of his letters told the colonies that there was a compact entered into in Paris, in 1884, in which it was agreed by the various powers that in time of war no cable nor telegraphic communication should be cut; and it was an understanding based upon that assertion of Mr. Audley Coote's that led the people both of Queensland and New South Wales to believe that it was a matter of perfect indifference whether cables touched at foreign ports or not; that if the great powers, including France, had agreed that they would not cut the cables in time of war, there was no necessity to trouble about the matter; the cable will not be interfered with; and I believe they were led astray in that way. In the first place, I wish to read a word or two from the report of the proceedings held in Hobart, in March, 1892, from the speech of the Hon. T. Unmack, who was at that time, I think, Postmaster General of Queensland, when this question

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was considered. Mr. Unmack in the most unmistakeable language tells us he does not think there is any disability at all in going through a foreign country. This is a minister of the Crown, and not an ordinary civil servant. I will not read all he says, but simply this part:—

The undertaking was a bona fide one.

That is the undertaking to connect Australia with New Caledonia, as a first link in the line across the Pacific.

The undertaking was a bona fide one, as far as they could judge, and the only objection he had heard raised was that the cable was to go to French territory. He did not think they need trouble themselves about that question because, first of all, they had seen how territories frequently changed hands, and as far back as 1884, they would find a treaty of nations by which they bound themselves that all cables in time of war should be considered as neutral.

Now, this is the Minister, the Postmaster General of the colony of Queensland, who speaks in this authoritative manner at a conference; and I have looked through the reports which I have here, and I find that not a single soul in the conference ever objected to it at all or criticized it in any way, or even said he doubted it. It was simply swallowed holus bolus, and I believe that is one reason why they agreed to that subsidy, which I am sorry they ever contemplated.

Hon. Mr. SUTTOR.—What is the date of the conference?

Hon. Mr. PLAYFORD.—1892.

Hon. Mr. SUTTOR.—The official correspondence shows there is no such treaty in existence.

Hon. Mr. PLAYFORD.—I am coming to the point; but now I am going on in my argument to show the misconception the colonies labored under, and the reason they subsidized this cable was, I believe, because of such misconception.

Hon. Mr. SUTTOR.—No.

Hon. Mr. PLAYFORD.—Your New South Wales representatives did not criticise Unmack; they supported him in all his contentions; and therefore I judge that your representative from New South Wales let the matter remain in silence, believing that the statement made by Mr. Unmack was correct. Now, I am going to quote from a paper, dated 5th July, 1893, by Mr. J. C. Lamb, of the Imperial post office. In the course of his remarks, criticising this proposed cable, he says:—

It seems unnecessary, from the point of view of imperial interests, to go further into this plan, but it may be well to refer to a misconception on the part of some of those with whom it finds favour. Met with the objection that a cable landed on foreign territory might be of little use for the defence of the Empire, they reply that the difficulty is provided for by an international convention under which all cables are made neutral in time of war. This is not the case. The only international convention relating to the protection of submarine cables is that which was made at Paris on the 14th March, 1884, and if reference be made to the copy of the convention annexed to the Submarine Telegraph Act 48 and 49 Victoria, ch. 49, it will be seen that it contains no provision for the neutrality of cables.

And so our people, with regard to the matter of the neutrality of cables, have been labouring altogether under a misconception.

Hon. Mr. SUTTOR.—We deny the misconception; we knew it was not so.

Lord JERSEY.—As a matter of fact, in that convention the rights of belligerents are expressly reserved.

Hon. Mr. PLAYFORD.—If they were under no misconception it is very peculiar the representatives did not point out the mistake to the Queensland people. However, I will not detain the conference further on that point. I have mentioned a number of difficulties in connection with this proposed cable, and, as Sir John Thompson said

that in considering this matter we would have to look at all sides of the question and sift it to the bottom before coming to a conclusion. I have, therefore, given the delegates the information I have gained, after careful study of the subject, and I have pointed out the difficulties that attend this project. In the first place, I contend that before you can do anything of a practical character, you must have a survey; before you can have a survey, unless you are going to have a useless and expensive one, you must define the route along which that survey is to be made. That is what you have got to fix. If the cable is to be laid, you must say "This is the route we want surveyed," or else you may have a route surveyed which, when you come to consider where the cable will be laid, you will abandon, and the survey will be practically useless so far as the purposes of the cable are concerned. You must first fix your route that you believe will be best to connect the two countries by; you must then have the survey made; then when you know what you have to contend with in regard to the bottom of the ocean, you can come to a conclusion as to whether you will have the cable made; but that survey will be the only means of estimating accurately the cost of the cable, without which you will certainly not be able to determine it; and therefore it appears to me that those of you who are in favour of this line of cable being constructed across the Pacific will have to content yourselves, as far as this conference is concerned, with going just one step in advance of the conference of 1887. They said it was desirable a cable should be laid; we say the same; and they said secondly, an exhaustive survey must be made, and we will, if we are wise, do the same; but this is what they forget to say: they forget to say what route it should go by; and consider the number of routes. The British Government very properly said: "We do not know if this line is going to be constructed; or where it is going to be constructed;" and the result was no survey was made or is made to-day. You must decide the route you want surveyed, and agree whether you will get the Imperial Government to do it, or whether your colonies, along with Canada, will put your hands in your pockets and make the survey. In addition to saying that it is desirable the line should be constructed, you will have to fix the route. That appears to me as far as this conference will be able to go in connection with the Pacific cable at this time.

The PRESIDENT.—Can you tell me what the total receipts of your overland line are, because I have been under a misapprehension altogether, arising out of an interview I had with a gentleman there last fall?

Hon. Mr. PLAYFORD.—I have the details in my hands; I have not totalled it up, but I have it each year and it is only a matter of addition. It is 21 lines, and I cannot give it at the moment.

The PRESIDENT.—I mean the annual receipts.

Hon. Mr. PLAYFORD.—In 1890, £41,000; in 1891, £34,000; in 1892, £35,000; in 1893, £39,000.

The PRESIDENT.—I understood from your Premier, in discussing this question with him, that the net revenue derived from your cable was about £40,000 a year, and naturally asked the question what position they would be in if this new cable was constructed? I asked him the question? "Do I understand you to say that the revenue derived from this cable investment of yours nets you £40,000 over and above the interest upon the investment and the working expenses?" and his answer was, as I understood him, Yes.

Hon. Mr. PLAYFORD.—It could not possibly be.

The PRESIDENT.—That is why I felt that I must be under a very great misapprehension, and it is somewhat singular that he did not set me right in the conversation which subsequently took place, because I said to him in reply "If you have a net revenue of £40,000 annually, why do you not reduce your rates in the interest of the commercial community? If that were in Canada, no government would be permitted to derive a revenue from an investment of that kind; they would be obliged to reduce it in the interest of the community who uses it; as that should be the object of all governments." I remember the conversation distinctly, and am surprised he did not set me right.

Hon. Mr. PLAYFORD.—You were speaking to the Attorney General, a lawyer, not the minister controlling the Telegraph Department, and your question must have been misunderstood.

The PRESIDENT.—A lawyer ought to know the difference between a gross revenue and a net revenue. My argument was that if that were the case it was a profitable investment, and if so the duty of the government was to reduce the rates in the interest of the commercial community.

Hon. Mr. FOSTER.—Evidently by the returns the whole revenue was only £39,000.

REPRESENTATION OF HAWAIIAN INTERESTS.

The PRESIDENT.—Mr. DAVIES is to be here at 12. Is there any objection to hearing him now?

Hon. Mr. FITZGERALD.—That is the understanding.

Mr. DAVIES was then introduced to the conference.

The PRESIDENT.—We are discussing, Mr. DAVIES, the question of a Pacific cable, and shall be very glad to hear any statement which you desire to make, to the conference, either upon cable or trade relations, representing, as you do, the commercial and not the political aspect of the question.

Mr. DAVIES.—When I received your invitation, yesterday, I thought it was wiser to put what I had to say on paper, in order that I might make no mistake. With your permission I will be pleased to read the paper:

MR. PRESIDENT, MY LORD JERSEY AND GENTLEMEN,—

In response to your invitation I have the honour to present the following paper upon the subject of cable and steam communication in the Pacific:—

I am confident that whatever government may be in power, Hawaii may be relied upon in the future as in the past to legislate intelligently and definitely for the promotion of the interests of commerce, and in a liberal and broad manner.

It has been, and is, the earnest wish of the governing as well as of the business classes to bring Hawaii into the circle of Pacific Ocean traffic, and to cultivate the most cordial relations with her great neighbours to the north, south, east and west.

Hawaii desires not only their trade, but the respect and confidence of those neighbours.

In confirmation of this assurance, I may quote the following lines, which the present Minister of Foreign Affairs of the Provisional Government of Hawaii addressed to my firm at Honolulu, under date of the 1st of June. He says:—

"In regard to the matter of port charges this government is disposed to consider favourably a proposition working towards the reduction or total abolition of these charges in relation to your steamships; but would prefer to treat this matter in con-

nection with the subject of the carriage of the mails. The good-will of the government to your line has already been made manifest."

The minister goes on to say :—

"In regard to a trans-Pacific cable, negotiations are on foot of a confidential nature respecting the utilization of Hawaiian territory for that purpose. At the present time the government is unable to say more than to express its great interest in the project of a cable, and its desire to expedite it in every way in its power."

These words of the minister are in entire accord with the tenor of the report of the Chamber of Commerce upon the subject of steam and cable communication, a copy of which report was forwarded to Mr. Bowell and published in the report of his recent mission to Australia.

In matters of trade and commerce it has generally been found that what the Honolulu Chamber of Commerce has recommended, the government has endeavoured to carry out by legislation.

I will speak of the cable first.

The great aim of the commercial and of every other interest in Hawaii is to induce the projectors to land within what is known as the Hawaiian group. This aim would hardly have been gratified by the landing of the cable at an uninhabited island nearly 500 miles away, and my personal belief is that the recent annexation of Necker Island by Hawaii was undertaken in order to induce the landing of the cable somewhere nearer the chain of Hawaiian communication.

I say this, because I gather from the newspapers that the Hawaiian Government have in some way received the impression that there was an intention to carry the cable past Hawaii without touching here.

I have no right nor have I any intention to touch upon the points which might seem to have a political, or an international character. I can only assure the convention that Hawaii is unanimously anxious to have this cable communication, and that she will be found prepared to negotiate in that frank and friendly spirit which I endeavoured to indicate in my opening statement.

Leaving aside the questions of how to deal with the Imperial control, or at least with the neutrality of the cable, I should feel it unnecessary to dwell upon the immense commercial value of a central telegraph office in the Pacific Ocean—if I had not found by years of experience, the difficulty of making people understand that there was any Pacific Ocean—except in books about the habits and homes of coral insects.

In 1893, 2,000 passengers arrived in Hawaii.

do 2,000 do left Hawaii.

do 8,000 do arrived in transit, making

12,000 in all, excluding what are called emigrants.

In the same time 13 ships of war and 310 merchant vessels arrived in Honolulu. Not one of these 12,000 passengers, nor of the captains and officers of those 32 ships, spent a single dollar on a cable message—simply because there was no cable.

I venture to assert that the revenue to be derived from the landing of a cable at Honolulu will greatly surprise those who estimate that revenue, merely by the population, or the area of that country. Hawaiians know that the fact of Honolulu being a cable centre, will bring a very considerable traffic to their port. They estimate that many more ships will come there for orders, and for charter when their owners know that they can be in telegraphic communication with themselves. Many ships now go to San Feo for orders, which will assuredly in future come to a port which is nearer the centre, and where their crews cannot desert, and where the expenses are very much less.

The cable means very much for Hawaiian commerce—but it means much also for the owners of the cable. I doubt whether any port in Australasia will contribute more towards their revenue, than the same port of Honolulu.

Even now steamers call there regularly from China, Japan, Vancouver, San Francisco, Sydney and Auckland, but we look—even as you gentlemen do, or you would not be here—to an immense development of that traffic.

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It is impossible to believe that Honolulu will be left long without a cable, and the first cable to land there, will have all the revenue to which I have referred.

It is hardly my province to detract from Necker or any other of the rocks that might be available, but I will read to you the official description which the Hawaiian Government has furnish to my firm, from the report of the Minister of the Interior, who took recently possession.

("Copy.")

MEMORANDUM REPORTED BY CAPTAIN KING IN REGARD TO NECKER ISLAND.

No water.

No trees.

No grass.

Thin soil in places with patches of weeds, no other vegetation.

To support life, supplies would have to be brought to the island, including water.

The station there would be similar to that of a lighthouse.

No difficulty in landing at the north side in ordinary weather.

Landing is made by stepping on a ledge of a lava rock similar to the old Volcano landing on Keauhou.

No landing on south side as cliffs are inaccessible.

Anchorage on north-west side good.

Anchored three quarters of a mile off shore in 18 fathoms of water, bottom of sand and shells shelving towards shore. Captain King thinks a cable could be landed without great difficulty.

(Sgd.)

F. M. HATCH.

"No water—no trees—no grass."

"To support life supplies would have to be brought to the island, including water."

"The station there would be similar to that of a lighthouse."

This would not be the first time that life had to depend on the periodical supplies from Honolulu. For years my firm had so to provision Starbuck Island, Johnson's Island, Fanning's Island, Christina Island, and other guano islands, and though we had no mishaps we had constant anxiety. On three occasions deplorable mishaps have occurred, and in the present year the German caretaker on Hay-saw Island, was found dead in his cottage, by a passing shipmaster. I suppose hermits could be found to occupy even such an isolated tower, but I venture to say that its isolation adds somewhat to the argument which I have endeavoured to advance in favour of a very urgent attempt to secure a landing within the circuit of the Hawaiian Archipelago.

I will now turn to the question of steam communication—and in doing so there is less need of statistics.

I find that Mr. Bowell in his report has already presented the chief figures of Hawaiian trade: Imports in 1892—\$7,439,000—of which United States sent \$5,294,000.

Exports in 1893—\$10,818,000 of which United States took \$10,754,000.

Of that \$10,818,000—\$10,495,000 consisted of sugar and rice, which all went to the United States, by virtue of the Reciprocity Treaty.

But the statistics of exports and imports belong rather to the owners of the steamers, and the question of which this Convention is to treat is, I suppose, the establishment of a line between Canada and Australia. I have had a good many years' experience in these steam-enterprises, ever since Mr. Hayden Hezekiah Hall first beguiled a number of passengers from Sydney to Honolulu and there transferred them to the wretched little steamer "Idaho," in which also I was unhappily a passenger. I have travelled by all the lines and by nearly all the steamers—and my personal verdict long ago was, that the first English steam line that crossed the Pacific, would sweep the trade.

A friend of mine who came up in the "Arawa" this last trip told me that it was the most delightful trip he had ever made; and I contrasted that evidence with my own experience 4½ years ago.

I am confident that the trans-Pacific trade would be more than doubled if the steamers that carry it were equipped and conducted as the Atlantic boats or the Empress boats are.

But there is more involved than the comfort or the number of passengers. These steamers open connection with new ports and districts, and that means a great impetus to the trans-Pacific lines. With a cable and an established steam line between Honolulu and Vancouver, a valuable trade is assured, not merely a diverted trade, but a trade that does not now exist—a trade that will be largely developed by your own cable—by the new enterprise which you have come here to discuss.

I suppose the cattle and sheep owners of Hawaii would echo that Canadian objection which followed Mr. Thynne's proposed shipments of Australian meats. But undoubtedly the system of cold storage will be introduced into Honolulu, and with those powers of consumption with which we astonish all visitors, we shall open a market for large shipments of meats, poultry and fruits.

MR. DAVIES.—I would be pleased to answer any questions that may be asked.

THE PRESIDENT.—I was going to inquire whether the present government, or that of the past, had not pledged themselves to certain subsidies, or offered certain subsidies for the construction of a cable to connect with this continent?

MR. DAVIES.—There was an offer of \$20,000 per year as a subsidy to the first cable line, but things generally are in such a chaotic condition that I did not think it worth while to refer to that. I refer, generally, to the principle that the Hawaiians mean what they say when they make the statement that they will do everything in their power to assist, which statement the Minister of Foreign Affairs reiterates. Of course, the landing, the accommodation, the connection, and the whole thing, is a matter of negotiation. It would be impossible, under any circumstances, for them to say: "We will pay twenty thousand; what will you give us?" They are open to negotiate on terms which, I think, every one must consider satisfactory.

LORD JERSEY.—What is the distance to San Francisco from Honolulu?

MR. DAVIES.—2,100 miles.

HON. MR. FITZGERALD.—That is about 300 miles shorter than to Vancouver?

MR. DAVIES.—Yes. I do not know if that is the cable distance.

SIR HENRY WRIXON.—Necker Island belongs to the Hawaiian Government?

MR. DAVIES.—It does now, since the 27th May.

SIR A. P. CARON.—What distance is it from Honolulu?

MR. DAVIES.—460 miles.

THE PRESIDENT.—It was always claimed by the Hawaiian Government, I understand?

MR. DAVIES.—They had never landed there.

LORD JERSEY.—But still, it would be within their sphere of control.

HON. MR. FITZGERALD.—The island further west was claimed. This was the exception because they had not landed; at the others they did land.

THE PRESIDENT.—Still, it was considered by the Admiralty as belonging to Hawaii.

HON. MR. THYNNE.—I think I have read somewhere that the Hawaiian Government had given to a French company some exclusive right of landing a cable in Hawaii. Are you aware of anything of that kind?

MR. DAVIES.—No, and, I am sure it cannot possibly be the case. If such were the case, I think I would have heard of it before.

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Hon. Mr. FITZGERALD.—The trade of the Hawaiian group is now chiefly with the United States?

Mr. DAVIES.—Yes.

Hon. Mr. FITZGERALD.—Have you any treaties still existing?

Mr. DAVIES.—Oh yes, the reciprocity treaty still exists.

Hon. Mr. FITZGERALD.—Any time fixed for its expiry?

Mr. DAVIES.—No. Either government may give twelve months' notice of abrogation.

Hon. Mr. THYNNE.—I would be glad if you would look at this, which purports to be an Act of the Hawaiian Parliament authorizing the granting of an exclusive right of landing cables in the Territory. The Act appears to have been passed.

Mr. DAVIES.—One of the conditions was that the cable was to be completed before the 1st January, 1894. Of course, I was aware of all that.

Hon. Mr. THYNNE.—Then the fact is that the authority which was given by Parliament has lapsed?

Mr. DAVIES.—It has lapsed.

Hon. Mr. THYNNE.—This was practically in the shape of an offer. Do you think the Hawaiian Government would have any difficulty in making a similar offer or arranging similar terms, in regards to the projected cable?

Mr. DAVIES.—I have very carefully guarded myself in speaking about the Hawaiian Government, because I am not authorized. I have confined myself to the Chamber of Commerce. The Chamber of Commerce would be favourable to a cable, and so would the government. May I refer for a moment to the report of the Chamber of Commerce? This is what the report says:

The committee are very sensible of the great advantages which this community must derive from any traffic which brings us into direct connection with the various important countries which are touched by the Pacific Ocean. The special subject of the present report is the trade which may be developed between Canada on the north and Australia on the south by means of cable and steam communication.

Several schemes have been suggested during recent years for bringing Honolulu into telegraphic union with the world; and it is not of very material importance to Hawaii whether the connection shall be made by one line or another. Undoubtedly the San Francisco connection would be preferable, because this is the point where our chief commerce is, and always will be, maintained; but the committee are of opinion that every possible facility should be given by the Hawaiian Government to any country that will introduce a trans-Pacific cable to our shores. We are confident that the necessity for speedy communication with the naval and mercantile steamers that frequent our ports will compel governments as well as private owners to inaugurate a cable service for their own convenience and protection; and the committee do not consider that this service will be hastened or retarded by any action that can be taken here. We therefore confine ourselves to the recommendation that this Government shall express its desire to facilitate, in every possible way, the creation of cable communication across the Pacific Ocean.

With regard to the subject of steam service between our shores and the Canadian and Australian Empires, the committee are of opinion that a very important development of our trade must follow the inauguration of such a service. The tropical products of our islands already find a large market in the North-west Territory of the United States, and with proper facilities we could send to the Canadian markets of British Columbia all the sugar, coffee, rice, fruits, etc., that they could dispose of. For the present, nearly the whole of our sugars are under contract to be shipped to San Francisco, and therefore are not available for shipment to any other market, but it is not improbable that an arrangement could be made between the San Francisco and Vancouver refineries whereby the latter could receive its supplies from Honolulu, and so restrict the importation of raw sugar to the Pacific Coast by discontinuing importations from Manila.

The short experience we have had of the Canadian-Australian line of steamers enables us to express our confidence in the future of the trade it will bring to our shores. The contrast between the climate and scenery of British Columbia, and those of Hawaii, will induce a great interchange of visitors, and gradually open up an important passenger traffic, which cannot fail to be beneficial to both countries.

The committee are deeply impressed with the importance of giving every encouragement to this, and all other steam lines which make connections with this port; and they recommend that the Government be requested to extend all freedom of port charges, that is in their power, to the steamers so coming.

Then the minister writes in response to that, saying that in regard to the trans-Pacific cable, negotiations are on foot, of a confidential nature, at the present time, and that, for the present, he cannot do more than express his great interest, and offer to do all in his power to assist.

Hon. Mr. FRASER.—How stands the Treaty with the United States Government?

MR. DAVIES.—Subject to a year's notice, which, probably, will never be given; it is too valuable to us, and the United States regard it as a sort of moral hold on the island. I suppose one-third of the ten millions which I stated, as to sugar and rice, is practically a bonus from the United States to the Hawaiian planters.

Hon. Mr. FRASER.—Could the Hawaiian Government treat with foreigners for a similar arrangement to that of the United States?

MR. DAVIES.—No.

The PRESIDENT.—They would object to the extension of that treaty, say with Canada, or Australia?

MR. DAVIES.—I think the treaty itself prevents that, unless abrogated. I think it is really taking up unnecessary time to consider interfering, in any way, with the American Reciprocity Treaty. It is a treaty that has been very useful to the island, and very useful to the United States.

Hon. Mr. FOSTER.—Eight-tenths of the commerce running in that way?

MR. DAVIES.—Yes.

Hon. Mr. FITZGERALD.—What is the population?

MR. DAVIES.—The population is about 100,000. That includes natives.

Hon. Mr. PLAYFORD.—The natives are dying out.

MR. DAVIES.—No, the natives are not dying out. There are more children there than ever before. The old natives are dying out. The Queen spoke to me, some two years ago, when I was there. She said, I know that the Hawaiian race is disappearing, but my great desire, is the same as that which my brother had before me, that this little country shall remain under its own control, whatever people are here, the half-breeds are more loyal than the natives, they are intensely loyal to the Hawaiian flag, therefore, there is no prospect of the Government passing out of their control.

Hon. Mr. FOSTER.—Are the half-breeds a superior race to the natives?

MR. DAVIES.—Oh yes, very much so. Then, there is a very large foreign population which is Hawaiian born, and they are forming a community of their own; that community is a perfectly loyal one, so that I do not think there is any fear of the time arriving when there will be any necessity for Hawaiian independence to cease.

The PRESIDENT, on behalf of the Conference thanked Mr. Davies for the able paper which he had presented.

THE PACIFIC CABLE.—(Continued.)

Hon. Mr. THYNNE—Hon. Mr. President, my Lord and Gentlemen,—In addressing you to-day I do not propose to take up one moment longer in speaking to you than I can possibly avoid. I may say at the outset I have consulted with my colleague and he desires me to present to you the views which he entertains as well as those of myself, which I will endeavor to express. I think, sir, before I go any further I cannot

but express my feelings of pleasure at the particulars which Mr. Playford has been good enough to give us, and the facts and information which he has given are interesting. But, beyond all, we have receive with pleasure an intimation of the attitude which his government is prepared to take. I think it would be ungenerous on the part of any one of the Australian colonies to raise any serious objection to the attitude which the South Australian Government through their representative here to-day has expressed. Gentlemen, I think, in addressing ourselves to this general motion of Mr. Suttor, there is some danger of the discussion becoming somewhat diffuse, by reason of debating a number of minor points, which I think would properly, and economically as regards time, be dealt with in separate subsequent motions. On this motion, which is a general proposition that a cable ought to be constructed, I shall limit myself, as far as I can, to that one proposition without going too deeply into the minor details of the question, which will, no doubt, be dealt with separately on subsequent motions. Now, there are one or two matters, however which I think I am bound to make an effort to clear away before entering on this question. Reference has been made by Mr. Playford to the resolution adopted at the New Zealand conference a few months ago. I have to state here, and distinctly that my government does not endorse the resolution arrived at by the New Zealand conference. There are circumstances connected with the passing of that resolution which I will not trouble you with, but which satisfy the Government of Queensland that they are really not to be held bound by the resolution which their representatives appear to have agreed to on that occasion. I think it would be a pity that any member should come to this conference tied too much as regards route or direction. I hope we will all approach the question as fairly as we possibly can. Now, as Mr. Playford has stated the attitude of his government towards the Pacific cable, I think I might as well give or endeavour to make equally as explicit a declaration of the desires of the Queensland Government. Their policy has been one continued policy for the last 20 years. They have never diverged, one ministry after another, from the same attitude right through the whole period, and I do not think I can put that policy in better words than were expressed, by a distinguished member of the Queensland Parliament, Sir Samuel Griffith, at the colonial conference. I think it will be shorter if I just quoted the words he made use of, which are as follows :—

The Queensland Government takes up this position ; that the Australian colonies cannot safely depend upon a single line of cable, and that a duplicate line of cable is necessary. There have been two or three conferences upon the subject. I recollect having been at one in 1877, when it was affirmed unanimously, that there should be a distinct and independent line. The Eastern Extension Telegraph Company maintain that they have given us a duplicate line by laying a second cable from Java to Port Darwin but as the strength of any line is its weakest point, we maintain that these cables, all of which run from England, through foreign territory or through seas continually full of ships of foreign countries, form by no means a duplicate line of cable, which we have always maintained should be established.

The Queensland Government to-day express the same opinion that a duplicate line is necessary and essential to the safety and welfare of the Australian colonies and we come here prepared to give our vote and assistance, so far as we are able to, for the construction of a new line. Some reference has been made to the fact that the Government of New South Wales and Queensland entered into a contract for a cable to New Caledonia, professedly the first step in the construction of trans-Pacific cable. Well, gentlemen the Government of Queensland does not feel itself in any hampered by the arrangement that has been made with that company in joining in the construction of a cable to Vancouver, and, if the occasion ever arises to question the propriety of the attitude of the Queensland Government, it will be time enough then for me to explain

the position of the Queensland Government. I do not think I am called upon to discuss that question now. I merely state that we are quite free to co-operate with you in the establishment of this line. With regard to Mr. Playford's address, I would like to say that while he has so distinctly and fairly defined the attitude of his government on this question—and in his address he drew a very clear distinction between the views which he expressed as the views of the South Australian Government, and the views which he expressed as his own opinions—we are very grateful for the large amount of information which he has contributed; but I do think that in his address he has succeeded in putting before the conference in the strongest possible light, every possible difficulty and objection with which we have to contend. With all due respect to Mr. Todd, for whom I have as high a regard as Mr. Playford, yet, at this conference, we have learned by experience that we have to look with a great deal of attention at the statements and opinions, which are expressed, honestly no doubt, by those who are interested either officially or otherwise, in either promoting the construction or opposing the construction of this particular cable. I am afraid that in the objections that have been put forward by Mr. Playford, he has included several things which I am sure this conference will agree have been already disposed of. We have heard of Capt. Wharton's report. Well, gentlemen, that is an old document. It was penned before the Conference of 1887, it treated the subject from only one, the commercial point of view, and the Government have not taken any steps which will lead us to believe, that the opinions which he expresses in his report are confirmed. On the contrary, it seems to me that the information which is given now by the latest admiralty charts, which Mr. Playford himself has been good enough to produce at this conference, affords an amount of information regarding this motion here, which clears away all the difficulties that have been raised so frequently in connection with the construction of this cable. I believe that this chart of itself has removed, and will be considered to have removed the main objection which has been raised to the construction of this cable. We have here on this plan practically a complete survey from the Sandwich Islands down to the Australian coast. There are small spaces there which are not included, but I think we can reason from analogy from the experience that we have had. There is a survey from Queensland to New Caledonia. That portion there is no question about.

Hon. Mr. PLAYFORD.—We do not propose to take the cable that way.

Hon. Mr. THYNNE.—But the nature and the cost of laying does not alter very materially so far as our present knowledge goes, and we can adduce the conclusion, that granted a certain average depth in the neighbourhood of these seas, we should be able to find a route on which to lay our cable without difficulty. We have a complete survey from Queensland to Fiji, and from Fiji to the Phoenix Islands thence to the Sandwich Islands.

Hon. Mr. PLAYFORD.—That is not the route proposed by the conference.

Hon. Mr. THYNNE.—Mr. Playford is taking it as conclusive that we are to follow the route specified at the last New Zealand conference. He is dealing with the route as if that is the one that would be adopted, although it involves a thousand miles of extra cable, a proposal which is not likely to be adopted. But whatever route may be adopted, I submit here that we have on this chart, a solution of nearly every difficulty with regard to the laying of the cable on these seas. Take the route surveyed from the Queensland coast to the Sandwich Islands, and there

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is on this chart a complete record of the soundings that have been taken from the Sandwich Islands to San Francisco. If one has regarded these soundings carefully, the great lessons to be drawn from these figures is the extreme evenness of the surface of the bottom of that ocean. The depth varies only a few hundred fathoms.

Hon. Mr. PLAYFORD—There is one place where there is a fall of 1,000 fathoms.

Hon. Mr. THYNNE—Take the four lines of soundings taken between the United States coast and the Sandwich Islands, you will see that the soundings have been wonderfully even.

Hon. Mr. PLAYFORD—You had all that before the last conference in 1887.

Hon. Mr. THYNNE—There is some question about that. The survey was not completed until after 1887, but be that as it may, there is nothing which will lead us to suppose that the ocean bed a little farther north varies very materially from the ocean bed between San Francisco and the Sandwich Islands, because taking a straight line north of the Sandwich Islands for over thirty degrees, there is a fair amount of evenness on the surface of the ocean bed. Again due west of San Francisco Harbour, a series of soundings have been taken, which a cable would touch running from Vancouver to the Sandwich Islands, and there the ocean bed in the centre of that stretch is found to be exactly of the same depth as between San Francisco and the Sandwich Islands. There are only two small portions of that ocean of which we have no information at the present time. I think, gentlemen, that is a matter of great importance because Mr. Playford suggested, that the conference would simply content itself with taking steps for having a survey made, and leaving it for further conference to decide after the soundings are made, upon the construction of the cable. It seems to me that that is not going as far as it would be our duty to go at this conference. It seems to me that if we want to have this conference an effective one—we should assume, and I think, with perfect safety, that the route is a practicable one, and that all we need to trouble ourselves with on this occasion is, as to how we can all set about getting the cable constructed. I am opposed to losing much time in getting this cable constructed, and it may, perhaps, be not out of place for me to refer to the fact that there is a cable now to New Caledonia a part of the distance across the Pacific. When we have two other governments, that of France and the United States, undertaking the construction of a cable from New Caledonia to the islands of the Pacific and to San Francisco, one would think it would not be a matter of very great difficulty. They have made soundings, preparatory no doubt with the ultimate idea that they would have a cable laid, and it may be, if we lose very much time, or proceed in this matter with faltering steps, that we may find from our own dilatoriness, that the opportunity which is now offered to us and which may not be offered again of getting a satisfactory cable constructed, may be gone. I therefore, hope that this convention will not content itself with a mere resolution or even an arrangement as to the mode in which a survey is to be made or carried out, but that we shall go further and leave behind us the question and the difficulty of the route as a mere minor matter which can be easily disposed of when trouble arises. Now, a good deal has been said about this cable, that it is not safe, that it is likely to be interfered with on account of its being laid through a very wide ocean, that it is liable to be easily cut by any foreign power in time of trouble and war. Well, gentlemen, the view with which we look upon that question is this: If by any means upon a declaration of war, the cable is sound for one week after the declaration of war is made, the people of the British Empire will have been fully repaid the

cost of this cable's construction. I believe myself taking the estimate which is indicated to us as the estimate of the post office authorities of £1,800,000, it would be worth the while of the Australian colonies alone to pay the whole of that money, to be sure of at least one week's clear notice in case of a declaration of war. I do not think that the interests of Canada are at all different from the interests of Australia on a question such as that. But with regard to the feasibility of cutting a trans-Pacific cable, I would like to point this out. I was, for a considerable time, under the impression that ships of war could easily and readily cut any cable coming within their range, but on making inquiries, I find there is no power at present which has a ship of war with the appliances with which they can grapple a cable and cut it. The only vessels available for such purposes are the vessels kept for the purpose of repairing the line, and there are no other ships available for that purpose. I may be wrong; if I am, I shall be glad be corrected. I have been very much impressed with that view since it came to my knowledge, and I put it forward here as one of the strong arguments in favor of the trans-Pacific cable as a safe cable, as contra-distinguished from any other cable we have to deal with. Though there are a certain number of cable-repairing ships in the world, a very large proportion of these ships belong to the British Empire. The proportion of cable-repairing ships in the hands of any possibly hostile powers are so very few that I think we may safely rely upon our British Navy being able to keep a very good account of these ships and their movements.

Hon. Mr. PLAYFORD.—There is one now in New Caledonia.

Hon. Mr. THYNNE.—I do not think we need be very much afraid of one ship having power to grapple for these cables. I hope and trust our friendship with France is not likely to be interrupted, but, even if it is, I do not think that the mere fact, if fact it be, of a repairing ship being at New Caledonia is an element that should enter seriously into our consideration of the question here. Now, in our colony, as I have already said, we have adhered to one continuous line of policy from the very commencement. We have decided to oppose, as much as it was in our power to do, what we have regarded as a grasping monopoly—the Eastern Extension Telegraph Company. As an instance of the way in which they would argue, I think I can quote nothing better than the figures Mr. Playford has favored the conference with. I could not help thinking while he was speaking that the South Australian Government has not been fairly treated with regard to the proportion of the charges for transmission of messages over its line when it was left with such a large loss while the cable company itself was admittedly making a very heavy profit. South Australia has not been fairly treated in the matter and while we have all very much sympathy with the colony which has shown such a considerable amount of enterprise in constructing that overland line we cannot help pointing this out, that they have been to use a common expression, “rather got at” by the cable company when making their arrangements as to charges on their land line.

Hon. Mr. FITZGERALD.—South Australia would be considered in the new arrangement.

Hon. Mr. THYNNE.—So far as the attitude of South Australia is concerned I have already said it would be ungenerous on the part of any of the Australian colonies to raise any objection to the attitude of the Government which Mr. Playford has placed before us here to-day. While we have opposed this monopoly and have been extremely desirous of having an alternative cable to the old country we have withheld our assent from all arrangements; which nearly all the other colonies have from time to time entered into, and we stand to-day alone with regard to the charges on cable messages

from Queensland to the old country. At least we are charged nine shillings and nine pence from Queensland per word at the present date. I am speaking what is a fact to-day, that the charge from Queensland to England for telegraph cables is between nine and ten shillings per word. The other Australian colonies are under the impression that they are getting their messages sent at a considerable cheaper rate. I wish to show that the other colonies are not; because instead of charging the senders of the messages with the full charge which we have to pay in Queensland it is put upon the general tax payer and only a proportion of it is charged to the transmitter of the message. Now the arrangements which the Eastern Extension Co. have made with the different colonies are such that they practically maintain their high and excessive tariff of nine shillings and nine pence throughout the whole Australian colonies.

Hon. Mr. PLAYFORD.—They send their cables from Queensland by way of Sydney.

Hon. Mr. THYNNE.—I deny that fact. When I send a message, I make the wording as short as possible, because I do object to the payment of such an excessive tariff, unless it is absolutely necessary to do it.

Hon. Mr. PLAYFORD.—The majority of your messages go to Sydney, and they are sent at a low rate to Queensland.

Hon. Mr. THYNNE.—I think I have already stated as clearly and as distinctly as I can the attitude of Queensland. I do not think I can add anything more. We are anxious to have the cable at the earliest possible moment, and we are quite prepared to pay our full share towards getting it. I forgot to refer to a statement that was made that the Queensland Government were under the impression that there was some international contract for the preservation of cables during the time of war. It was, I think, at the instance of Great Britain herself that there was a fair and distinct statement in the treaty of March, 1884, that it should be clearly understood that the stipulations of that convention should not have any effect upon the rights and acts of belligerents. I doubt whether it would be to the advantage of Great Britain, considering her peculiar position to be embarrassed in the belligerents right to interrupt an enemy's line of communications. There is no misapprehension of the effect of that treaty on the part of the members of the Government, whatever was the general impression. We have acted with a full knowledge of the true position of affairs, and we are prepared at all times as at present, to justify the particular course of action which we take. I thank you, gentlemen, for listening so attentively to the few words I have said. I have endeavoured to curtail my remarks, in order to save the time of the conference.

Sir HENRY WRIXON.—Mr. Chairman, My lord, and gentlemen:—Being, mainly, a legal representative, compels me to speak shortly, and leave to my business friends the task of going into detail. I will not pretend to deal with the minutiae of the subject, but will merely deal with some of the prominent questions which have been developed. In the first place, we, Australian Colonies, ask for the cable; we earnestly desire it. I may say we do that on national and Imperial grounds, more than on local grounds. We, Australian Colonies, if we merely regarded our business relations, might get on very well as we are. We have a very good service. It is a little expensive, but, that expense at any time we can reduce by the simple expedient of our different colonies voting something to the Eastern Extension Company, in consideration of reducing their rates. Therefore, speaking for Victoria, or for New South Wales, or Queensland, if we merely regard our service, and our interests as people, as shop-keepers, I do not know that we are very eager on this subject, on business grounds; but, we are very eager

on another ground, which I will refer to in a moment. We certainly appreciate the increased advantage, and the impetus to trade, which would result from the laying of a Pacific cable, because, there is no doubt whatever, that a cable going through the Pacific, merely from the trade point of view, would be a great assistance, and tend to promote trade. It would enable us to enter into trade negotiations with Canada, and other places. In that view, even in a commercial point of view, we are anxious for it; but, as I said, for the mere purposes of sending mercantile messages to Europe, we are very fairly supplied. What we are really anxious about is the Imperial and national point of view. The question of national defense at once suggests itself. There is no doubt whatever, as has been suggested by my friend Mr. Thynne, that in case of war it might be worth the whole of what this cable is supposed to cost, to the Empire and its dependencies if we could for a week, have prompt and immediate information as to the movements of an enemy; and, we know that with the present line of cable, in case of war, communication would most likely be interrupted, almost immediately. In that view, it is of great importance to us, and we feel deeply. Though a distant and far-lying portion of the Empire, we feel that we are part of the Empire, and we dearly like to be sure that in case of difficulty we have a safe and certain means of communication, which we cannot have under the present telegraph system. In that point of view, we are deeply anxious about it. We feel also that great weight is to be attached to the question of its being under English control, and touching only on English soil. As to the details, of course that is a matter that would require to be gone into more carefully. If we can have a cable through the Pacific, touching at Necker Island, which might be leased from the Hawaiian Government, we might be able to have the cable entirely on British soil, and entirely in seas under the command of the English Navy. We take that to be a matter of the greatest importance, and we are perfectly willing to contribute our quota. I must confess, Mr. Chairman, that in this aspect of the case, I have been a little surprised when reading the reports of some of the authorities in London. I venture to say that you, in Canada, are more English than the English themselves. Of course, if the English people do not care for this cable communication, it necessarily has its effect in making us not very anxious. When we read the report of eminent authorities, for instance the report of the hydrographer of the Admiralty, that the matter is of no consequence, that we are as well without it, of course it is rather absurd for us outlying dependencies, merely children of the Empire, to make any trouble about it, but, with great respect for such an eminent authority, while of course, I cannot pretend to offer an opinion on any strategic point, still I must say, it does seem to us it makes a very great difference to the Empire, in case of war, whether you have cable communication going through Egypt, or cable communication through the Pacific.

Hon. Mr. PLAYFORD.—Egypt is under the control of England, and is occupied by English troops.

Sir HENRY WRIXON.—Does my friend Mr. Playford mean to say that in case of our getting into a war with France, or with Russia, that the present cable communication would be safe?

Hon. Mr. PLAYFORD.—It would be safe through Egypt at all events.

Sir HENRY WRIXON.—I was saying if the authorities in London do not think it of any consequence, and if they do not want a cable through the Pacific for Imperial and national purposes, of course that is an important fact, and we must consider it; but I must refuse to attach that weight to the statement of the hydrographer

of the navy, which has been read by Mr. Playford. That gentleman, of course, views it from his own standpoint, upon which no doubt he is the highest possible authority, but, apart from that altogether, no man can question but that in case of war, and complication with foreign powers, it would be a good thing for England, and her dependencies, to have this cable through the Pacific, free from foreign control. Certainly, the Australians cling to the idea that it would tend to promote the defence of the whole Empire, through which instructions and directions could be sent in case of need. If there is anything of importance to England in having a second cable communication, in case of war, then undoubtedly, there is a very great argument in support of the cable. When we look at the enormous sums expended by the mother country for defence, when we are told that there are some £18,000,000 or £20,000,000 to be expended in strengthening the navy, this cable costing some couple of millions, flashing the intelligence or instructions through might mean the safety of the colonies and the Empire. If there is any truth in that view it is a vital question for the whole Empire. But there is another view to which I think I ought to direct the attention of the conference, and, as to which we, in Australia, feel very strongly. If the matter is now rejected, if England throws the thing over, if England will not assist in the laying of this cable, there is very little doubt but that France will lay it. If it is not done by us, and by the Imperial Government, the whole thing will go into the hands of France, which would be a very serious question for us. There is already the cable from Australia to New Caledonia. I will cite one or two extracts on that subject which show what the intention of the French Government is. I think it will clearly appear that there is a sort of race, going on, for the Pacific. There is a trade springing up there. New interests are coming into existence, new ideas in the minds of men are being circulated, it is coming within the reach of commerce, there is a sort of race, between France, on the one hand, and England on the other, as to who will have the control in the Pacific, and which power will dominate.

HON. MR. PLAYFORD.—We have it all now. We have Australia and New Zealand.

SIR HENRY WRIXON.—But, if you have a cable from Australia to New Caledonia, to Samoa, to the Sandwich Islands, and thence to San Francisco, I would like to know whether that will assist or impair our prestige on the Pacific? That is what I want you to consider. If this conference, and if the Imperial Government say: "We cannot trouble about it; do as you like; we wash our hands of it," and if that gets abroad, I believe there are plenty of persons, interested in a commercial point of view, who will take up the cable, under the auspices of the French Government, and carry it through. We have had an experience of that already, with regard to the cable from Australia to New Caledonia. There are plenty of business men, I will not call them commission agents, but gentlemen who partly occupy that position, who would make something handsome out of such a contract. If it were announced that this conference will do nothing, and that England will not touch it, these gentleman have a very good opportunity to go to France and say, "Will you now complete what you have commenced? You will have it under your control, it will be a French line, be laid by French ships, and be under French management." It would go to San Francisco, leaving us out in the cold altogether. People may want to make money out of it, and if we throw the whole thing over, they will step in, and will resume with France the negotiations they have already successfully carried on, which would practically leave

the whole thing in the hands of France, and really Australia will lose much, because the hope we cherish is that we will get France out of the Pacific altogether, in time, particularly out of New Caledonia. In this connection I wish to point out what is being done with regard to the cable from Australia to New Caledonia. This is from the French point of view. I do not at all mean to say that Queensland, or New South Wales, agree to the whole of what I am going to read. I want to show what the Government of France consider they have done, the obligations which they consider they have entered into, with a view of leading this conference to understand, that if England throws the thing over now, and will not go on, France is perfectly willing to take it up. There was this agreement entered into between the Government of France, and the Governments of New South Wales and Queensland as to the French-American cable. Mr. Audley Coote, a gentleman known to most of you by reputation, and to some of you personally, carried on the negotiations, and to complete the matter an Act was required. The matter is explained in a letter, dated the 7th March, 1892, by Audley Coote, and in letters addressed to the Postmaster General at Sydney, he says: "Referring to our conversation some few days ago on the subject of a submarine cable to start from the shores of Queensland, in the Pacific Ocean, to New Caladonia, as the first section of a proposed Pacific cable."

Lord JERSEY.—I understand that the company to which reference is made is not in a very flourishing condition, and that it has been reported to our government that there is no chance of its carrying out its hopes, unless, of course, the French Government comes to its rescue.

Sir HENRY WRIXON.—I know nothing of this particular company; it may succeed, or it may fail; but, what I want clearly to point out is this, that the Government of France undertook to pay two-thirds of the cost of laying this cable from Australia to New Caledonia on the distinct understanding that it would be the first chain or link right across to California.

Hon. Mr. SUTTOR.—They did not undertake that responsibility. France, and the others, contributed between them £12,000, not as a subsidy, but as a guarantee.

Sir HENRY WRIXON.—That I quite understand. I say that the Government of France clearly entered into this undertaking on the understanding that it was to be the first link in the chain across the Pacific to California. Can anybody doubt that? If we practically throw cold water upon this, France will step in and take advantage of the opportunity.

Hon. Mr. PLAYFORD.—I do not think she will. She has not interest enough. She has only New Caledonia.

Sir HENRY WRIXON.—I am going to read extracts to show that the French Government throughout regarded this as a link across the Pacific, and they so put it in their own acts. Of course, if England will do it, France will be forestalled; but, if you throw it over indefinitely, France will take it up. See what the agent or the promoter of this company writes. He addressed it to your government, Mr. Sutor. He says: "It is the first section of the proposed Pacific cable." In the agreement signed by Audley Coote, and the Postmaster General of New South Wales, it is said: "The said cable shall form part of the main Pacific cable, connecting Queensland with Vancouver, San Francisco, or other places in North America as may be hereafter determined." That is the agreement that France entered into.

HON. MR. FRASER.—That is with a French company.

SIR HENRY WRIXON.—Undoubtedly, it is a French company, that is what I say. The French Government in the explanation of the Act authorizing the cable to New Caledonia recited that the company has succeeded in obtaining exclusive landing rights for Queensland, as well as the financial assistance of that government, and New South Wales. That is incorrect, I believe, but this is what the Government of France understood, and they informed their legislature that in entering into this agreement they got the exclusive landing right in Queensland. Then they go on in the bill to state, in the second clause or article, that the French company, which possesses the landing rights for the territory of the Queensland Government, undertakes to lay the cable and have it open for work on the 22nd September, 1893. The Society undertakes to maintain its headquarters in France, to have only French directors, to have the cable made in a factory situated on French territory, and to guarantee the submersion with a French ship, with a French staff, and any disputes that arise between the company and the Australian Government are to be determined by the French Government. I say the effect of the whole of that is to show that France paid, or entered into an undertaking to guarantee two-thirds of the business of this line from Australia to New Caledonia, on the distinct understanding that it was to be the first link in a Pacific cable, and that that cable is going through to either San Francisco, or to Vancouver. Therefore, I say, we are face to face with the question of whether we take it up, or France. If you throw it over, France will step in not merely through national motives—though I believe they would be actuated by national motives—but because they are business men. Directly they find that nothing can be got out of England, they will go on negotiating with France, and they will try to lay this cable, leaving it entirely in foreign hands, and under foreign control. That position, we, in Australia, would regard as a great misfortune. We think the Pacific ought to belong to Englishmen, or the descendants of Englishmen; we wish them to dominate over that ocean. We regard it as a great wrong that New Caledonia belongs to France, and we feel that this proposal, if rejected, would practically enable France to take up this cable business. It is a national question for us, and for the whole Empire. We feel that we ought to support it, even if it costs something, to carry it through, even if there is a loss. That is exactly our view. Of course, in a commercial view, we think it will promote trade, that we might have cheaper messages. The Imperial view or national view we regard as important, but, if we can, we want to prevent any other nation from becoming dominant in the Pacific. If this conference throws the whole thing over, you will throw it into the hands of France.

HON. MR. FOSTER.—Does the French Government give a direct subsidy, besides a guarantee of business?

SIR HENRY WRIXON.—No, they guarantee two-thirds of the business, and the Australian colonies of Queensland and New South Wales guarantee the other third, and the whole thing is in the hands of France. As I have read, the cable is to be laid by French people, to be laid by French ships, and in case of any dispute the whole thing is referred to the French Government.

SIR ADOLPHE CARON.—The French Government guaranteed 300,000 francs per annum.

SIR CHARLES MILLS.—How can they get on unless the Australian Colonies co-operate? Surely they have it in their power to turn their backs upon it, and the whole thing is dished.

Hon. Mr. SUTTOR.—The position with regard to the French Government and the colonies is this : Queensland and New South Wales contribute £2,000 each, and the French Government £8,000, but because of that contribution we have the free use of the line until the tolls reach £2,000 ; beyond £2,000, of course, we pay ; the governments have the free use of the line up to the amount of the subsidies. I take it for granted that the French Government has the same privilege we have, of sending messages through to New Caledonia up to the limit of their guarantee, which is £8,000. We are getting good value for the sum of £2,000, because there is considerable business done between New Caledonia and New South Wales, even from a government point of view.

Sir ADOLPHE CARON.—I ask merely for information, because I do not read this part of the agreement in the same way that my honourable friend Mr. Suttor does.

The French Government agrees to assist, by guaranteeing to the Society (with the co-operation of other governments), an annual income of 300,000 francs, but their share shall not exceed two-thirds of the whole amount, viz., 200,000 francs. The Government of Queensland and New South Wales agree to guarantee the remaining third part, viz., 100,000 francs, and it is agreed that their share shall not exceed this amount.

The PRESIDENT.—Read the guarantee which follows.

Sir ADOLPHE CARON :

The guarantee of the French Government which shall not exceed 200,000 francs, stipulated in the first paragraph of this article, will be applied solely to the payments of interest, and the redemption of special bonds to be issued by the Society, for the purpose of raising the necessary capital for the establishment of the Australia-New Caledonia cable, and the mode of application shall be drawn up in the usual legal form.

Sir HENRY WRIXON.—I may be allowed to say a word with regard to what Sir Charles Mills has interposed, because he makes a very pertinent and very natural query. He says, " Why need you argue that ; you Australians can always prevent it." What I want to point out is this, and I am convinced I am right in what I am saying. We are all in favour of England having supreme control on the Pacific, we regard it as essential to our rights, and to our existence as a nation, but if England takes the position of the hydrographer for the navy, who says he does not want the cable, which is no use to him, and if England means to say it is no use, we are thrown back upon some other line, and, however we might personally deplore it, the result of your throwing cold water upon this, and of the Imperial Government saying they will have nothing to do with it, will be that business men will not miss the opportunity presented, and there will be skilful agents, negotiating between the United States and France, and they will carry the cable through.

Hon. Mr. FRASER.—And Honolulu.

Sir CHARLES MILLS.—But the British Government has never said that.

Sir HENRY WRIXON.—But the hydrographer has said so. If you adopt the tone of that eminent authority in London, who says that it is no use to the Empire, that it is no use for defence, and that in addition to that the English mercantile community say they do not want it, the result will be that the thing will be thrown into other hands. We, in Australia, dearly cherish the idea that England should control absolutely in the Pacific, and that result will be imperilled. That is my argument. See how quickly France took up the New Caledonia cable. I am convinced I am right when I say if the feeling in England is to throw the whole thing over, and this conference is to throw the whole thing in the background, some one else will take the matter up and make a good thing out of it, because there is a growing trade in the Pacific. It is growing up imperceptibly. Men often cannot notice what is going on around them. There is now

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going on in the Pacific a growing traffic from point to point, and if we cultivate it and develop it, it will continue to grow. If this conference does not take the thing up, you will find somebody else will. I cannot go into the business details as my honourable friends will, but I have stated the broad ground I want to put it on. I do not want to see the Pacific handed over to French control. I think it would be most unfortunate to have the cable running through the Pacific under French control. I quite admit that the case of South Australia should be considered.

Hon. Mr. FRASER.—That is, providing she does not oppose our wants.

Sir HENRY WRIXON.—My feeling is, that as a matter of justice, something ought to be done. Certainly we are faced by difficulties. Undoubtedly, as Mr. Playford has said, there has been no survey made, and that really seems to be a matter as to which we may have some cause of complaint with regard to the Imperial Government, because, in 1887, all of the colonies agreed in a request that a survey should be made. 1887 is a good while ago, and nothing whatever has been done. I think that is some cause of complaint. Something might have been done, because, unquestionably, it raises a difficulty now, because we do not exactly know the route.

Lord JERSEY.—I think there has been a little more surveying done than Mr. Playford says. I have references here which show that the surveys have been a little more extended.

The PRESIDENT.—We complain that they stopped them.

Lord JERSEY.—They surveyed in 1888 and 1889; there is a general survey up to the Phoenix Islands.

Hon. Mr. PLAYFORD.—I admitted that.

Lord JERSEY.—But not being quite so complete as requested at the conference.

Sir HENRY WRIXON.—From Necker Island to Vancouver it is a blank.

Hon. Mr. THYNNE.—Not quite.

Sir HENRY WRIXON.—I admit that is a difficulty, but still it seems to me, we might arrive at a resolution contingent upon the final settlement of a route, a resolution which would define our different liabilities. I do not think it is absolutely necessary we should fix the route, though I would prefer, as a matter of business, that we should know exactly the course of every mile. But, now that we are here, though I hope there will be many future conferences, still we do not know how soon we will meet again; and, I think we might pass a contingent resolution defining the responsibility that England, Canada, and the colonies would respectively be willing to undertake. We might do that without absolutely fixing the particular line of cable. I hope we will be able to do something of the kind. If we do that, then it will be material that we should consider what should be the rate of contribution. It has been suggested that England should bear half, and Canada and Australasia each a quarter; but, my honourable friend Mr. Thynne has indicated in his resolution that he is prepared to go further than that. I am not in a position to absolutely pledge my government, but I think there will be very little difficulty in defining it in the way he proposes, viz., England one-third, Canada one-third, and Australasia one-third. As we are here in private, as regards the press, I feel free to express my opinions. I do not think it possible to carry out this project, unless the Imperial Government takes a part. I do not think it would be possible to do it. The Australian Colonies are prepared to take a share, but, if the Imperial

Government did not see its way to take part in it, I do not think that it would go on. More than that, I do not think it would be just that it should. If the cable were constructed, undoubtedly it would be more used by England, and by the business men of England, than by Canada, and the whole of Australasia put together. I believe it is a well-known fact in mail and telegraphic matters, that more goes from the centre to the circumference, than comes back from the circumference to the centre. That, I believe, is well-known. If we had the cable from Vancouver to Australia, it would be more used by the merchants of England, and more matter would go out from England to the extremities, than would come back from the extremities to England. Therefore, I think it would be unjust to suppose that Australasia and Canada alone should shoulder the undertaking. I am merely expressing my own opinion. I have no definite instructions from our government on the point, but I have no hesitation in expressing the opinion that if the Imperial Government does not see its way to take part in this enterprise, I do not think it is possible for it to go on. I imagine, however, that we could accept the proposal of my honourable friend Mr. Thynne, and each take a third. As to the question of one cable, or two, I think that is a mere difficulty of the future. The question is, now, shall we lay one cable. If we do, I believe we would find a growth in the volume of trade that would warrant a second cable. I do not think Mr. Playford is right in saying that we should not make one, because if we made one we would have to make two. You begin with one cable, when it develops a business which necessitates it, you can make a second. As I understand it, if you lay a cable in very deep seas you are very much safer than in shallow seas. Therefore, it might be possible that you could get on, for some time, by using one. At all events, it is not a fatal objection. The main question is the one in respect to the control of the Pacific, and whether this conference is going to throw the whole thing over. If that is done, I believe it will go into the hands of France.

LORD JERSEY.—It seems to me the question of strategy is one which should be left to the military and naval authorities to decide. By your argument the Imperial Government would be obliged to take their position upon that point, but it seems to me that it is of importance to ascertain from the representatives of the colonies their views first, as to the importance of the cable from a commercial and imperial point of view. Next, are they in favour of a principle of the cable from the colonies to Vancouver and so to England under the British control? Then are they prepared to assist in the expenses connected with making a survey? Again, should the survey be favourable are they prepared to pledge their respective governments to share in the cost, and if so, to what extent? I gather from what Sir Henry Wrixon has said that the idea is a pro rata share. These are the questions I must press upon the delegates and ask them for very clear indications on these points, so as to assist me in the duty that is before me. Of course it is not my duty at the present time to present any argument upon any of them.

HON. MR. FORREST.—I discussed this question before us to-day with my friend Mr. Thynne, and it came into my mind whether Mr. Thynne should add to his notice of motion that a survey would be undertaken, the cost to be borne in the same proportion as the proposed cost of the construction of the cable.

LORD JERSEY.—It is not unlikely that the Imperial Government before they undertake the survey would wish to know whether there was something to be done after the survey was made. They could not undertake the survey merely on the chance,

leaving it open to doubt even if the survey were favourable as to whether the line would be constructed then.

Sir HENRY WRIXON.—There is only a small portion of the survey incomplete.

Lord JERSEY.—There is a larger proportion completed than what is sometimes stated.

Hon. Mr. THYNNE.—I think the question of the completing of the survey is merely a small matter, and is included in the general work which I was advocating the conference to adopt. It would come naturally within the resolution of which I have given notice. I did not treat the cost of the survey as separate matter as between the cost of construction.

Hon. Mr. FRASER.—After the points have been so well put by my colleague, Sir Henry Wrixon, I need not detain you for more than a few minutes. Of course my opinion is, and I hope the opinion of the others is the same, that before we came here we thought that the British Government had undertaken the survey long ago. It was assumed by our government that the British Government could not go back on its promise to complete the survey. Never did I think for a moment there would be any difficulty about that. As Sir Henry Wrixon has said, our government is most anxious about this matter. There is not the least use in cultivating trade relations and sending steamships abroad on the ocean between Australia and Vancouver, unless we fill the distance by cable communication. There is not the least use.

Lord JERSEY.—Of course you understand that I could not pledge the Admiralty to undertake the cost of the survey. That might be quite possible though, as they have got the ships.

Hon. Mr. PLAYFORD.—The British Government never made any promise to make the survey.

Hon. Mr. FRASER.—It was understood.

Hon. Mr. PLAYFORD.—No, they did not make any promise.

Lord JERSEY.—No definite line was laid out.

Hon. Mr. FRASER.—It certainly was understood by me that the British Government was to make the survey. I know I have read letters and correspondence on the subject, and letters of complaint that the British Government were very dilatory in the matter. That I am positive of, but whether these letters were justified in the tone adopted I am not going to say. I am certain I have letters here, showing disappointment at the dilatoriness of the survey.

Lord JERSEY.—I believe I am correct in stating that the line taken by the Admiralty was, that there was no direct route laid down for that survey, and that there was not very much use in carrying out a survey till a route was adopted.

Hon. Mr. PLAYFORD.—Sir Henry Holland never promised the conference that a survey would be made.

Hon. Mr. FRASER.—The position is that the South Australian Government does not wish to run the risk of a competing line. I am quite sure when the time comes South Australia will not complain of the way she is treated by the colonies in this matter. Now, I am a common sense man, and I have been looking at this survey on this chart, and it appears to me singular indeed, that the survey from 'Frisco to the San ich Islands shows the ocean bed to be extraordinarily even. The bottom is even beyond what one would possibly expect, and the drop that Mr. Playford mentioned rather

alarmed me, but when I look at it, it is not so serious. It is not a drop at all, it is a rise.

Hon. Mr. PLAYFORD.—Then I suppose there is a drop somewhere.

Hon. Mr. FRASER.—I am pointing out the perfect evenness of the bottom according to this survey. There is a very gradual rise of a thousand fathoms on both sides. There is no quick drop. It is perfectly even grade for long distances, and will not in the slightest degree whatever interfere with the laying of the cable. The depth is remarkably even, and I hope Mr. Playford will withdraw that statement about the drop. My friend having made so much out of the drop, I am afraid the other arguments used are all in the same line, that perhaps the wish is father to the thought, and, therefore, while gentlemen of the conference will, I think, give the greatest respect to Mr. Playford's statements as far as data and facts are concerned, his arguments have gone further than is justified. The Government of Victoria is prepared to take its proper share of this at any time, notwithstanding the fact that we are passing now through the severest depression Australia has ever known, but we will get out of this with flying colours very shortly. Still while we are under this depression, as Mr. Thynne and Mr. Forrest say, we have no hesitation whatever in coming to an agreement upon the matter so far as it can be agreed upon. The survey from 'Frisco to Honolulu being so very favourable is it not to be assumed, that the remaining distance will be favourable also? I think so. Therefore I do not know that it is a serious matter that Mr. Thynne or Sir Henry Wrixon states. Let us pass the motion and get a step forward, if we can, because it is utter folly for gentlemen to come from the other end of the earth here to meet together and do nothing that will be satisfactory to ourselves, or to the colonies we represent. I, at any rate, would be sorry indeed to return to Australia and find that I can give a very poor account of what we have done. I am determined, at some risk, if possible to leave some resolution behind us that will clearly urge the British Government to take part in this proposal. Of course, I admit at once, that we are the persons perhaps most concerned in the matter because we in Australia are on the outside rim of the world and we are very anxious about our imperial connection. We are very anxious that our cables do not run through foreign countries; when they run through foreign countries they can be easily interfered with, and we are apprehensive that in time of war we would be from a week to a month without any communication and perhaps be swept down upon by some foreign power and not be prepared to defend ourselves. I remember well when the scare was, when we did not go to bed until small hours in the morning. I remember when we thought a Russian warship was coming down upon us, there were very serious thoughts in Victoria over the matter; and I quite support the statement, that were we without telegraphic communication at a time when war was imminent, we would not hesitate to spend millions of money rather than be without communication. Although we are under depression just now, we are remarkably wealthy. We can cut down our estimates by hundreds of thousands should the occasion arise for doing so. So if there was imminent danger in our colonies, I say we could very soon provide for the expenses necessary in this matter. Alone we could do it, but as the interests of the Imperial Government are certainly more than our interests, and her immense wealth in the shipping interests, it puts a responsibility upon her of doing her share in an imperial matter like this. Of course the important point is, if something is not done shortly some other power will construct a cable and we will be left out in the cold. We do not know what possibly

may take place. On the Pacific ocean traffic is increasing month by month and year by year. The "Empress of Japan" the day that we landed in Vancouver brought in 30,000 boxes of tea. They never dreamed of such a thing a year or two ago, and this tea was principally going to the United States. Of course we want to have our British ships on the ocean that are available at any time and especially in time of trouble. We are anxious to know that our cargoes, when they leave us will be landed safely in England; unless we have this surety, we have to pay high rates of insurance which largely destroy the whole trade. Now is the time for looking for this means of reducing that, and there should be no trouble or no reason why we should not disregard a paltry sum of one or two millions, when the only thing that stands in the way is a survey. Can nothing be done to hasten that? We ought to hasten it. Of course, we cannot begin to let the contract for the construction of the cable until the survey is completed, but then something should be done to impress upon the home government the necessity of haste, and I am sure Victoria and Queensland will do so.

Hon. Sir ADOLPHE CARON.—How long do you think the survey will take?

Hon. Mr. FRASER.—Of course, that is a question we do not know. The colonies have no means to make the survey.

Hon. Sir ADOLPHE CARON.—If England undertook it, how long would it take?

Hon. Sir HENRY WRIXON.—It is estimated by the Admiralty that it would take three years to make one survey with one vessel.

Hon. Mr. FRASER.—It does appear to me rather strange that there is always some difficulty turning up. As a purely business man during my whole life, it does appear to me very strange that whatever course is taken, something will turn up to impede the progress of this matter. It is not long ago since there was some correspondence on the subject. No sooner had the correspondence appeared when the Eastern Extension Company began to wield their enormous influence. I am not going to say that they are not justified in using that influence. Business men are the same all over. They are trying to put money into their own business concerns, and perhaps they are justified in trying to oppose any other rival company, but in this case something has always cropped up in some mysterious way at all times, but we have had gentlemen who are anxious to promote this cable, and the part which they have taken is creditable to them. I hope the opposition will cease in the future. The Eastern Extension Co. do not appear to think the difficulties are insurmountable at all just now. I believe they will be quick to accept a subsidy of £190,000. I believe from past experience that the statements of Mr. Sandford Fleming will be borne out. He has gone carefully into the matter some years ago, and the prediction which he made with respect to the business on the present line, has been borne out in a very surprising manner indeed. I may say that the Wellington resolution does not carry much weight in our colony at any rate. They do not look upon it at all as compelling them to act in accordance with the terms of that agreement. There is only one opinion, namely: that the line should be undertaken as speedily as possible from Vancouver to Australia and through British territory if possible, at any rate under British control. There should be no hesitation about that. I do say that the Eastern Extension Company's balance sheets, notwithstanding that there are three-quarters of a million in reserve, show they have paid on the

whole, about 9 per cent; and you must take into consideration the fact that a million and a quarter words would pass over our lines. I think naturally the greater bulk of that business would go over the new line if the government took it in hand. I was of the other opinion on leaving, but I am now of the opinion that it would be in the interests of Australia as well as imperial interests also, as well as to Canada if they took this in hand. I am quite sure of that now, after considering the matter carefully. It would be much to the interest of all concerned, if the Imperial Government, the Dominion of Canada and the Australian colonies undertook the matter. The work is a heavy work, yet it is simple. I have been a railway contractor for a great many years, and in this contract, the contract would be for the making of the cables and the laying of them. It is not a very serious matter, and I hope your Lordship will press that view upon the Imperial Government. There is one point in connection with the Eastern Extension Co.'s figures and that is, they are the manufacturers of their own cables. We do not know how much they debited to construction for these works. They manufacture their own cables and they may debit construction with very large sums, and net more profit than we see on the face of their balance sheets. That is another point to be considered. I think there is every prospect of the line paying after a few years and I hope this resolution will be passed.

Mr. LEE SMITH.—As one who, by calling is as much interested in this question as any other, I should have endeavoured to speak before, had I not been desirous of hearing the views of some of my neighbours from Australia. I listened with very great attention, in the first instance to the opening remarks by the Hon. Mr. Suttor, and I can cut matters short by saying that I totally agree with everything he said. I now pass on, sir, to the question of South Australia. I recognize very fully what the position of South Australia is quite different from the position of any other colony. South Australia, before the time when telegraphy was as well understood as it is at present, incurred a very considerable risk in opening up a line of communication with Port Darwin, and thereby completing the connection with Europe. Mr. Playford has very carefully put before us the risk that his government undertook, the amount of money they invested, and the loss which has been proved to have taken place since it was opened. As a representative I could not justifiably advocate any steps being taken here which would, in the slightest degree, do an injustice to that colony; my colony recognizes what South Australia has done, and I trust the representatives of every other colony of Australasia will do the same. We come here for the general good of Australasia, recognizing that it must necessarily be in the interests of all the colonies to see that no injustice is done, and no wrong, to a colony which stands as the pioneer of Australasian telegraphy. With regard to that I will say no more. I will now pass on to the two aspects, from my point of view, that this question assumes. First of all, there is the imperial aspect, and then, the commercial aspect. So many gentlemen have dealt with the imperial aspect of the question that I do not think I need occupy your time more than a few minutes in recapitulation of the remarks which have been made, more especially so exhaustively by my friend Sir Henry Wrixon, who has gone into the question in a manner which shows that he has a perfect grasp of the whole situation. It is needless for me to say that should we be involved in war with any European power, there are many points of attack in connection with the present cable, and a corresponding number of chances that our communication with Great Britain would be cut off. On the other hand we know that the Pacific cable could be laid

through waters, and in a manner which would leave very little risk of any indication being left of where the cable was, and, under any circumstances, it would be so far away that we would have an opportunity of keeping up communication with Europe, for, at least, a week, a fortnight, or three weeks, after declaration of war. The advantage of that has been very ably put forward by some gentleman who has preceded me. That, to my mind, would be a repayment of any risk we incurred. We would thereby be enabled to put our house in order, and make the necessary preparation for defending ourselves, which we could not do, with communication cut off. I will leave the imperial aspect of the question with those few remarks; but I do trust that Lord Jersey, the representative of the Imperial Government, will take a careful note of what is being said by every gentleman as to the imperial aspect of the question, and that he will do us the justice, that I have no doubt he will, in bringing before the Imperial Government the unanimous manner in which we all regard the Imperial view, and that if the British authorities have not yet realized, that the Australian Colonies are determined, under all circumstances, at any cost to keep their contact preserved, it is time that the British authorities took some other steps at arriving at that important result. Now, sir, I pass on to the commercial aspect of the question. Several gentlemen have spoken about the service between Australasia and Great Britain; some of them have said that the service is good. I have no doubt, sir, as a general rule, that the service is admirable; that is, so far as London is concerned, but with regard to the service between Australasia, Canada, and the United States, I am here to say, notwithstanding what the Hon. Mr. Playford has said, that there are innumerable delays. Telegrams generally leave our colony, and I dare say my colony is typical of the rest of the colonies, in the evening. When we have completed our day's business, we send off our London cables. Those cables to London get in, as a rule, about eleven or twelve or one o'clock the next morning, mid-day, so to speak, of the next day. That is, our midnight, or after midnight. We get replies next morning from eleven to twelve o'clock. But I have observed from my experience, and I have learned from many gentlemen engaged in business, that it is invariably the rule, that it is the day after that when Canadian or United States replies come to the messages we have sent the day before. Although it may look to be a minor point, we all know that the utmost despatch in the delivery of telegraphic messages is of paramount importance to commercial communications. I will show you how. I have been interested very largely at times, not so much now as in the past, in grain operations, and we have at times cabled to London and to America simultaneously. And upon the reply from those places I have made my operations depend. That is to say, I might send a message to London, and another to Chicago, to buy some California or other wheat. I might ask for offers. The next morning a reply comes from London, "We can do you California at so and so." I have to wait until the next morning for a reply from Chicago. There will be, very likely, a variation of a few cents a bushel. I have to wait from 12 o'clock at night until 10 or 11 next day before I know whether or not I shall accept the London telegram. That involves risk, as there may be some speculative excitement going on, and before you get your Chicago answer, the London market may have moved off, and between the two stools you may fall to the ground. That may look to be a very small matter; but, there is a very large business done in Australia and New Zealand in grain operations with London and the United States. It is of the greatest importance to us to have as quick communication as we

possibly can between points where we are doing business. Now, I have done with the commercial aspect of the question to that extent. But, there is another view I take of this subject. I regret to say that to my view the whole of this debate has taken a wrong direction. I do not wish to appear antagonistic, as I am afraid some of you may think, but, as a business man, I feel that we have proceeded on entirely wrong lines. We have begun debating as to routes, we have begun talking as to depths of the ocean, as to surveys, we have been discussing whether it shall go to Honolulu, or Fanning Island, we have been speaking about the French cables, and generally going all round the compass, without coming to the great question, as to whether this cable is or is not advisable. As a business man, if I wanted a small cable, of a few miles in length, or a small piece of road, or a canal cutting, I should not proceed in this way. I should bring together experts, and I should say to them, it is imperative for my necessities that there should be a certain thing done. I would have a definite line of action. I would not complicate the action by any side issue. I would go to the expert, tell him it had to be done, and find out the best and quickest way in which it could be accomplished. I would leave the expert to find that out. It would have been better for us to have proceeded to business in that way, by passing a resolution as to the desirability of carrying out a cable to Australasia, and then by a further motion deciding how it should be done. Several gentlemen have spoken of the advisability of the governments of Great Britain, of Canada, and of Australasia, taking this thing in hand as a government speculation. I totally disagree with that suggestion. Provided we are unable to find some large company, either the Eastern Extension Company, or private individuals willing to come forward, being guaranteed assistance in some form or other, it then becomes a question whether we should not at once take the subject in hand as a national concern. Recognizing, as I do, the necessity, the imperative urgency, I should be at once prepared to advise my government, and I believe my government will agree with me, to join in the carrying out of the cable on those lines; but, sir, it must be on the failure to carry it out on the lines first suggested. A number of gentlemen have spoken about the Eastern Extension Company, and they have spoken as though there was a feeling of animosity against that company from the fact that they have a monopoly. Gentlemen, it is the result of their own enterprise, and the risk they took. I say, all credit to them. It would be a monstrous thing, in the conference, if we should say anything bitter or antagonistic of a company that has shown such enterprise. It would not be worthy of us. The Eastern Extension Company have done nothing which would warrant this conference in saying anything against them. The company is composed of business people; they went into a speculation which involved great risks; the result, no doubt, is that they have made a considerable amount of money. They may—as has been suggested—have manipulated their accounts, and I suppose they may have done what many other business corporations have done, watered their stock, as many do in a similar position. It is a thing which is commonly done. It is no use of our trying to be too particular about these things. However, putting all this aside, the Eastern Extension Company have served the colonies well, and they are entitled to all credit; at the same time, my regard for the Extension Company does not lead me to wish or desire them to occupy that position any longer than is compatible and consistent with the welfare of the colonies, and Her Majesty's Empire at large. Acknowledging, as we all must acknowledge, that there is a risk, I hope at some very remote day, of being at war, we

must admit that it would be to our advantage to have a double service. That is the view which should be pressed upon the Imperial Government. Sir John Pender wrote a letter in which I think he contests the feasibility of carrying out the work, or of there being a profitable future, all of which I think he gives away in the latter portion of his letter in saying that he would be very glad to co-operate with us in the building of it. If Sir John Pender, or any company will come forward and say to this conference, or say to the respective governments, that they are prepared to carry out this cable on certain terms, I should say, give it to Sir John Pender, as readily as to anyone else, provided the conditions are such as to preserve, for all time, the right of the British Government, or the Australian Colonies, or Canada, to have control over the cable, the right to purchase it, and every safe-guard against its being used prejudicially, as a monopoly. That is my view of Sir John Pender's position. His company would be just in the same position as any other company. With regard to the extension of business, Mr Playford has said that there would be no possibility, or probability of there being any extension of business.

Hon. Mr. PLAYFORD.—No ; I said no very large extension.

Mr. LEE SMITH.—Any material expansion, that is to say, sufficient to warrant the great expenditure. Let me give you a short illustration of what is being done between New Zealand and New South Wales. This leads me to remark that Mr. Fraser stated that we must take no account of the Wellington Conference.

Hon. Mr. FRASER.—I beg pardon. I must not allow that to be noted. I said they were highly respectable men. The Postmaster General was an intimate friend of mine. I do say that our colony does not look upon that resolution as of any binding importance to them.

Mr. LEE SMITH.—I have no desire to misrepresent my friend Mr. Fraser, and, possibly, my saying this will correct a wrong impression. My impression was that he said the Wellington Conference did not carry any weight. The Honourable Mr. Ward, the Postmaster General, I have no hesitation in saying, is as clever a man, in a commercial sense, as there is in the whole Australian Colonies. He has proved himself so, not only by his conduct of his private affairs, but also by the manner in which he has conducted himself as Postmaster General and Treasurer of our colony. That honourable gentleman recognizing that the telegraphic business between New Zealand and New South Wales was not carried on on such commercial lines as would induce the largest possible amount of business, and also recognizing, as I recognize, that a cable should be as much employed as possible, day and night, made one great plunge and proposed to the New South Wales Government that there should be a large reduction in the cost of cabling between New Zealand and New South Wales. The New South Wales Government saw it, they agreed with him, and he at once made terms with the Eastern Extension Company to reduce the cost per word, and these figures are worthy of note, from eight and sixpence to two and sixpence. The people of our colony thought he was doing a very rash act, but, he was a clever and a far-seeing man. The result was the business at once increased 84 per cent, and the decrease in the returns was only 25 per cent. Next year, the returns will not only be very much increased, but the result will be that there will be no subsidy to pay, as it was the terms of the arrangement made with the Eastern Extension Company, that in case there was a loss it was to be made up. I believe, as some others believe, that the days of telegraphy are only in their infancy. I believe, if we had a cable right through Canada to Great Britain, and have our communications carried at three shillings a

word, and ultimately at much less, we would bring about a system of what I will term domestic communication. At present, communications passing between New Zealand and Australia and London refer almost exclusively to business questions that involve great issues, but there are a number of messages now sent from New Zealand to Australia, and *vice versa*, which are entirely of a social character, and of no great importance,—simply congratulatory messages of one kind or another. The day is coming, and I believe not far distant, when we shall find that our people in Australasia will communicate with Great Britain much in the same manner, in regard to private matters, as we do on business matters. The usual rule is, for business men, in the evening, to telegraph in place of sending letters. No doubt it is prejudicial to the cultivation of letter-writing, and you are apt to mangle the whole thing, but the fact remains that you get communication quickly and easily. I do not think I need take up the time of the conference longer. I have endeavoured to put before you the commercial view of the question, and I think I have done so in a manner which will show to you that the whole of the colonies could, justifiably, give any company, even the Eastern Extension Company, some help in carrying it out. My view is that that ought not to be a subsidy; it should be a guarantee. Supposing the cable cost £1,800,000, and there was a 4 per cent or a $3\frac{1}{2}$ per cent rate of interest, the imperial guarantee, or the guarantee of the several colonies, would involve something like £72,000 a year; that should be divided between Australia, Canada and the Imperial Government. I believe, inside of two, three or four years there would not be one penny to pay, notwithstanding all that has been prophesied by Sir John Pender, and all the others who have spoken of the impossibility of getting anything like a return from the construction. Of course the cables in Australasia are unoccupied, at least four-fifths of the day. We want to look forward to the cable being in operation day and night, the same as land telegraphy. I shall conclude, sir, by saying that we should not bother ourselves at all about routes at this time. We have no survey, we have nothing to go upon. There is no use talking about whether it should be Fanning Island, or Necker Island. The grand thing is, let it be known that we are determined to have a cable, and then we shall find plenty of companies, or private individuals, who will say, "Give us a subsidy, and we will put you down a line, we will guarantee it for so many years, we will give you control of it, we will give you a purchasing power, and do everything that is necessary to have it as much under your own control and command as though it belonged to yourselves." I do not think my government will be agreeable to assisting in this cable unless it be to a company, or to a private syndicate; but, as a last resort, I believe that they would agree with the proposal made of joining as a government, but not until every other way of carrying it out had been exhausted.

Hon. Mr. FOSTER.—I have listened with the greatest of interest to the discussion. While I have my own views upon the subject, yet, I am neither prepared to speak nor vote at present. What I would propose is that, after the Australian gentlemen have exhausted their right to speak, to let the question lie over, and take up other business, until the Canadian delegation have an opportunity of talking the matter over among ourselves. It is the only thing that can be done because if one votes for this resolution, absolutely he binds himself as to ways and means. We cannot stand up and say it is desirable that a thing should be done in the interest of the Empire, without being prepared to go ahead and do it, and expend our share in doing it. That involves a question of ways and means, about which a little consultation will have to be had. I

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do not think it will delay matters. As soon as we have had an opportunity for consultation, some one will give the views of the Canadian delegation.

Hon. Mr. FITZGERALD.—The three questions put to us by Lord Jersey are very practical, and we, from Australasia, ought to have no difficulty in answering them. Speaking to the first question, if a report should be made that imperial interests are not concerned in the construction of an alternative cable route, we will be very much surprised. We feel that this is much more an imperial question than one of trade between Canada and Australia. We feel the deepest concern in everything that affects the safety of the British Empire, and the progress of every portion of the English domain. We also are grateful to the pioneers; the Eastern Telegraph Company, who, with such enterprise, have brought us into communication with the mother country, nor in any way detracting, we owe them a great deal, and hope they have made the profit they deserve. We are highly indebted to them, and, it is not in the slightest degree to injure their trade, from the credit which we think they deserve and have earned for their enterprise, that we ask for this alternative cable. We feel, not on the grounds of sentiment that there must exist in England, not as a return for the loyal devotion which we entertain and are always glad to express that our trade with the mother country deserves this recognition. We consider, whatever may be urged to the contrary, that the present line of cable communication is not satisfactory. We say that that alternative cable line should be made and that it ought to be under the control of British influence, and British influence only. When it touches foreign soil, should there be, unhappily, a disturbance in Europe, the safety of cable communication is at once endangered. We think that at points in the Mediterranean, it is in danger. It is in danger in Egypt, and it is decidedly in danger as it passes through Portugal. In addition to our attachment to the old country, and our yearning for news, in case of disturbance, we feel that our trade relations deserve attention. The commerce of Australasia in 1881 was one hundred and one and three-quarter millions sterling; in ten years that jumped to one hundred and forty-four and three-quarter millions. Our wool trade in the same period, between '81 and '91 jumped from sixteen to twenty-four millions. Had the price of wool continued in '91 as high as it was in '81, that twenty-four would have been nearly forty. Our trade in wool alone would have been forty million pounds sterling. The commerce of Australasia with the United Kingdom comes fourth in order of nations. A commerce so vast, while increasing competition in the old world affects England so closely, we say with confidence, deserves that attention should be given to the request which we now emphatically put forth. We are endorsing the action taken by the Imperial Conference in 1887, and I confess that public men in Australia regard with some amazement the little attention which the resolutions arrived at by that conference on this subject, have received. We do not admit as regards the survey that it was not within the power of England to have completed it long ago. I may say, Lord Jersey, as regards the cost of the survey, Australia will not make any demur to paying her fair share, and I cannot believe the matter of pounds, shillings and pence have alone prevented England from making that survey. I am sure that if communications be opened between the colonial authorities and the home authorities on that subject, it will be found that the colonies will, without hesitation agree to contribute to it. If we refuse it would certainly be contradicting the earnestness with which this matter is now viewed in our country. I think that takes in the third point raised by Lord Jersey.

LORD JERSEY.—The main principle :

HON. MR. FITZGERALD.—Whether the cable shall be built at all? That I have been endeavouring to have shown by the interest with which it has been regarded and the importance of the question from the Australian point of view.

LORD JERSEY.—The cost of the survey is a minor point in my mind.

HON. MR. FITZGERALD.—I would not have mentioned it had it not been included in the questions you put to us. The cost of the survey would be merely a trifle compared with the total cost of the construction. As to the strategic point we answer it by saying it is most proper that England should look to officers of her army and navy for advice irrespective entirely of the trade view, which we regard as a very important one. We say that had the policy of the Colonial Office a few years ago been the same as the policy at present, England's influence would now be paramount in the Pacific, and there would be no difficulty felt as to where we should put the lines, and what points of communication we should have. Our belief is that the trade between Australia and Canada will grow and keep growing, and that the total commerce of the two colonies will continue to advance as it has done during the past ten years. How can we expect that this trade should keep increasing unless we have cable communication by which we can enlarge our commercial relations? I do not intend to press that point, because I apprehend no doubt exists in the present day ; commerce must flag without telegraphic service. Consequently, if the line of steamers is ever to be productive of good, a cable between Australia and Canada is a necessary communication. With regard to duplication upon which stress was laid by Mr. Playford, I may here say that he is in the discussion of this subject the *advocatus diaboli*, putting forward all possible objection. I hope I do him injustice, but that is the impression on my mind. I ask him to remember that improvements have gone on in the manufacturing of submarine cables, and if this service is completed, say in five years from this time, that its strength may be such that may prevent any necessity for duplication for some years and save that cost. There is no need to be frightened. Let us lay a cable and trust to Providence that there will be no disappointment. I never could understand why in the matter of the survey, with ships of the Imperial navy fitted out, so many of them for the work, the recommendation put forward by Canada, Australia and the Cape, should have remained a dead letter. The little pieces of surveys that Lord Jersey has referred to, are not what we want. The thing ought to be gone on with in a business-like way. Work should not be left off until it is completed. Then we will know how far the idea of Mr. Fraser is correct. The impression in our minds now is, that there are no submarine difficulties, and that we should without delay try to arrange among ourselves about going on with the construction. I quite agree with what fell from Mr. Lee Smith, that if the different colonies undertake this work, it must be in the nature of a guarantee and not a subsidy. I am of opinion if this work is to be done, it will have to be done jointly by the countries guaranteeing the money. If it is handed over to a company despite any restrictions put upon it, there is a risk that it will, after construction come under the control of the Eastern Telegraphic Company, thus probably lessening the advantages, we in Australia should expect to derive. Therefore the countries guaranteeing should have control of the construction, as well as the control of the cable after it is completed. I have no doubt that the difficulties that are now supposed to be very great, will be found to be comparatively small and we shall see that one result of this conference will be the establishment of thorough cable communication between Australia and Vancouver and

through Canada to Great Britain subject to British influences, on British soil, and in every way possible British.

Hon. Mr. SUTTON.—In accordance with Mr. Foster's suggestion, I will agree to strike out the words "under sole British" in my resolution, and insert the words "free from foreign" making the resolution read "That in the opinion of this conference, immediate steps should be taken to provide telegraphic communication by cable free from foreign control, between the Dominion of Canada and Australasia."

Hon. Mr. FOSTER.—My idea in suggesting an amendment there was in view of the objection I took that it conveyed the idea that it must be under governmental control. Then we had the idea put in other words, but the words having relation to territory would not enable us to land at Honolulu. Now we may have to land there. We shall probably have to land at some place which is not British territory. If we do, we of course could only do so by making arrangements for a neutral territory to fix a landing place. If we put the words "free from foreign control" it will meet that point, and take away the difficulty that is found in the other expression.

Hon. Mr. PLAYFORD.—You will be able to go to New Caledonia in that?

Hon. Mr. FOSTER.—You will be able to go to any place where you make your arrangements.

Hon. Mr. PLAYFORD.—It simply means that you have only to make some little arrangements. I always understood that the view taken by Mr. Fleming especially, and a great many other people was, that this line of cable should not land on soil that was not under the British flag, and I think that is the idea we have in Australia.

Hon. Mr. SUTTON.—The only alternative routes are Vancouver to Necker Island or to Fanning Island. That is the only British territory we can possibly reach. Then you must either go to Honolulu or to Necker Island, and both these points are controlled by a foreign power. I think you ought to give us power to go to any one of these places.

Hon. Mr. SUTTON's amendment was adopted.

The PRESIDENT.—I would like to refer to some remarks of Mr. Playford. We all remember well reading Sir John Pender's letters. He makes three distinct statements: first, that it cannot be built; second, if built it will not pay; and third, if it is to be built he wants to build it. That is his position. I differ *in toto* from the position taken that there is too little business to be done. I have a distinct recollection that it was stated the Canadian Pacific Railway, if built, would never pay for the grease on the wheels. I am glad to know that the other day, the Canadian Pacific Railway declared a dividend of 5 per cent with a large reserve. As to this difficulty I think the positions between the Canadian Pacific Railway and this proposed cable are somewhat analogous. It was declared there was no possibility of getting the Canadian Pacific Railway through the mountains, but we decided to build the road. This Government entered into an arrangement to have the road constructed within ten years. It was said it was impossible to get through the mountains, but the result has proved that that prognostication was incorrect. These and all of the same kind of enterprises are condemned as impracticable when first suggested, but the party to which I belong has proved that enterprise, push and energy can overcome almost everything. I shall take the opportunity of reading a paper, but not now, in reply to Sir John Pender's letter that he sent to the Governor General for the information of the government

and which was referred to me as Minister of Trade and Commerce for my report upon it. I have a short report which I think answers some portions of his objections, and I will lay it before the conference before we come to vote on this question.

Hon. Mr. SUTTOR.—I understood Mr. Foster to say that he desires that this debate should be adjourned so that the representatives of Canada may confer together, and arrive at some determination. If the debate is to be continued to-morrow it will be much more convenient.

Hon. Mr. FOSTER.—I shall be able to do that at the afternoon session to-morrow. It would be impossible to-night to have a conference.

Sir CHARLES MILLS moved the adjournment of the debate.

The PRESIDENT.—Before the conference adjourned it might be well to have my reply to Sir John Pender read. It is as follows :—

The undersigned Minister of Trade and Commerce to whom has been referred P.C. Reference No. 210 J, being a copy of a communication from Sir John Pender to His Excellency the Governor General of Canada bearing date the 14th April, 1894, covering a copy of a communication from Sir John Pender to Sir Robert Meade, K.C.B., Colonial Office, of date the 4th April, 1894, having reference to the proposed Pacific cable to connect Canada with Australia :—has the honour to report that having given careful consideration to the statement made by Sir John Pender on the subject, he would respectfully recommend that His Excellency the Governor General be moved to reply in effect that his Ministers differ from the opinion expressed by that gentleman, that an independent line of cable communication between Canada and Australia is not required. On the contrary they have, after mature consideration, arrived at the conclusion that not only in the interest of Imperial Unity is such a connection necessary ; but in the interest of trade between Canada and Australia it is almost indispensable. Nor can they agree with him in his conclusions respecting the business which would be done, or his predictions of pecuniary losses, should the cable be laid. A reduction in the enormously high rates now charged, which are practically prohibitive unless in cases of absolute necessity, would, it is believed, largely increase business, and, therefore, in a few years place the line on a self-sustaining and eventually on a profitable basis.

The Minister desires to call the attention to the statement made by Sir John Pender that "it is not to be overlooked that the existing telegraphic communication with Australia was established by private enterprise without any governmental assistance whatever in the form of subsidy, guarantee, or exclusive landing rights."

It may be literally correct to say that the "existing communication with Australia" was initiated by "private enterprise" and that the company was formed before assistance in the way of subsidies was absolutely secured ; but it is equally true that in order to render the line effective and serviceable, governmental assistance became necessary, and large subsidies and guarantees were granted to the company by the several Australian colonies. A reference to the reports and public accounts of these colonies shows that in aid of this enterprise, no less a sum has been paid than £486,000 by Australia ; and by New Zealand £75,000, making a total to day of £561,000 to which should be added a further sum of £55,250 guarantee by certain of the Australian governments, making in all £616,250 already received by the company in the way of government aid. To this should be added the amounts yet to be paid of £32,400 per annum for five years to come or £162,000, making in all in total subsidies and guarantees paid and payable no less, than £778,250 ; or in round numbers \$3,893,000 without taking into account any additional payments which may have to be made under terms of the guarantee which some of the colonies entered into with the company four years ago.

In short the existing telegraph company so far from being "without any governmental assistance whatever" has received in subsidies and guarantees from the Australasian governments sums exceeding in the aggregate, the whole present value, as the Minister believes, of all the cables of that company extending from Asia to Australia.

The establishment of the existing telegraph has beyond doubt been of service to Australia, but it can scarcely be said that the enterprise of the proprietors has been unrewarded. The reports and statements issued to the public by the Eastern Extension Company, and especially the report of the directors submitted to the shareholders last month, go to show that besides paying 7 per cent on its "watered" capital, equal to 9 per cent on the original capital, the company has been enabled through the assistance rendered by governments, added to the exceedingly high charges exacted, to accumulate a reserve fund of £633,686 after having expended out of revenue on new cables and extensions, the gross sum of £1,100,685. Two extracts from Sir John Pender's speech at that meeting bear out what has just been said:—

"The gross receipts for the half year under review have amounted to £251,000, against £247,000 for the corresponding period 1892, showing an increase of £4,000. The working expenses have amounted to £76,000, against £91,000 for the corresponding period of 1893, showing a decrease of £15,000, which is entirely accounted for by the repairs to cables having cost only £21,000 during the past half-year, against £38,000 in the corresponding half-year of 1892."

"The usual interim dividends have been distributed during the past year, making, with the dividend proposed to be paid to-morrow, a total payment of 5 per cent for 1893. It is also proposed to pay a bonus of 4s. per share or 2 per cent, making a total distribution of 7 per cent for the past year. The balance of £107,830 has been carried to the general reserve fund which now stands at £633,686."

The Minister, in expressing his dissent from the statement that another Pacific cable is not required to meet the commercial wants of the colonies of Great Britain, desires to explain that the policy of the Canadian Government is to develop by every possible means trade and commerce on the Pacific, especially with Australia. To this end a line of steamships has already been subsidized to run between Canada and Australia, and it is found that efforts in that direction are to a great extent handicapped (1) by the enormous charges for telegraphy now exacted between the ports of departure, and (2) by the entire absence of any means of communication telegraphically with the steamers at intermediate points. The difficulty was brought into prominence in the case of the stranding of the "Miowera," the circumstances attending which caused great anxiety. A cable from Canada to Australia with reasonable and moderate charges is, in the opinion of the Minister, essential to the successful development of commerce on the Pacific.

The Minister does not desire to enter into a controversy on the estimate of cost and expenditure which Sir John Pender submits in his letter to Sir Robert Meade, but desires to point out that Sir John Pender entirely ignores the enormous increase in telegraphy which is certain to result from a reduction of charges for transmitting messages. The Minister submitted to the Australian governments on the 12th of October last a memorandum containing an estimate of traffic, which seemed to him fair and reasonable. That the estimate then given is in no way exaggerated may be inferred from the fact that it is based on a traffic, considerably less than the actual existing business as given in the letter of Sir John Pender, now before him.

The Minister desires further to draw attention to the fact that Sir John Pender entirely ignores the fact that foreign nations, whose interests are inimical to British interests, recognize the necessity of a Pacific cable; that France on the one hand and the United States on the other have already moved in the direction of establishing one, and that unless prompt action be taken to establish a British cable across the Pacific, the connection may be formed under foreign control and worked in the interest of foreign commerce to the detriment of all British interests, and especially would this be the case in the event of international difficulties arising.

All of which is respectfully submitted.

(Signed) M. BOWELL.

DEPARTMENT OF TRADE AND COMMERCE,
OTTAWA, 14th May, 1894.

Hon. Mr. FOSTER.—In the disposition of the motions that have been made, and the notices given, we have come very close, without as yet touching the trade question. To my mind that is a very important part of our deliberations as a conference. If no other gentleman has it in mind to introduce a resolution with reference thereto, I will prepare one on those lines. What we would like would be that all parts of the Empire should have their trade relations, as regards themselves, placed on a more favourable basis than trade between foreign countries and the Empire. If we cannot have that at present so far as Great Britain herself is concerned, because she has no duties upon most of the products which we send, and as to which we are competitors with other parts of the world, and she may not now be disposed to put a small duty upon them, we should not wait any longer, but, as colonies, we should make some arrangement amongst ourselves whereby we should give to each other's products better treatment than we give to foreign products.

Hon. Mr. FITZGERALD.—I will draw Mr. Foster's attention to one of the resolutions adopted the other day, put forward by Sir Henry Wrixon, in respect to which I have given a notice. The one of which I have given notice I will be happy to withdraw, if Mr. Foster will incorporate it in his. They are kindred subjects. Sir Henry Wrixon's motion is with respect to differential trade relations between the colonies, and with Great Britain.

Hon. Mr. SUTTOR.—That would necessitate imperial legislation.

Hon. Mr. FITZGERALD.—I argue that we should not be asked to include Belgium and the German empire in any such arrangement. At present if Australia made an arrangement with Canada, under this treaty, Belgian produce would be allowed to come in under the most-favoured-nation clause.

Hon. Mr. FOSTER.—I think not, as between Australia and Canada. Even so, my honourable friend will see that my motion could only be fruitful, certainly, if the first of these is carried out. I am going on the abundant faith, which I hope is not too abundant, that Great Britain will ultimately concede the first demand, and going on that assumption we should take some practical steps at this conference to get ourselves together.

The PRESIDENT.—That question is now before the law officers of England, and a decision is being awaited. If the decision be in the direction that you have indicated, and Lord Jersey thinks it may be, then, we shall be at liberty to arrange trade between ourselves.

Hon. Mr. FITZGERALD.—The word "British" will have a restricted meaning; it will not affect the colonies as between themselves.

Hon. Mr. FOSTER.—If we have not that power, we should never rest until we get it. Surely, two colonies should be able to make arrangements between themselves.

The conference adjourned at 6 p.m.

DOUGLAS STEWART,
J. LAMBERT PAYNE,

Joint Secretaries of the Conference.

Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,
OTTAWA, JULY 4th, 1894.

The conference resumed at 10 a.m., Honourable MACKENZIE BOWELL, President, in the chair.

DELEGATES PRESENT:

The Imperial Government.—{ THE RIGHT HON. THE EARL OF JERSEY,
P.C., G.C.M.G.

Canada.—HON. MACKENZIE BOWELL, P.C.

HON. SIR ADOLPHE CARON, P.C., K.C.M.G.

HON. GEORGE E. FOSTER, P.C., LL.D.

SANDFORD FLEMING, Esq., C.M.G.

New South Wales.—HON. F. B. SUTTOR, M.L.A.

Tasmania.—HON. NICHOLAS FITZGERALD.

Cape of Good Hope.—HON. SIR HENRY DE VILLIERS, K.C.M.G.

SIR CHARLES MILLS, K.C.M.G., C.B.

South Australia.—HON. THOMAS PLAYFORD.

New-Zealand.—LEE SMITH, Esq.

Victoria.—SIR HENRY WRIXON, K.C.M.G.

HON. NICHOLAS FITZGERALD, M.L.C.

HON. SIMON FRASER, M.L.C.

Queensland.—HON. A. J. THYNNE, M.L.C.

HON. WILLIAM FORREST, M.L.C.

THE PACIFIC CABLE.

LORD JERSEY.—I wish to make a few observations, not in the nature of an argument, but rather as indicating some of the points which I think would be of advantage to Her Majesty's government if they were more clearly defined than perhaps they have been at the present moment. We are approaching a decision upon two main points—one the question of removing any difficulties which may exist at the present time between colonies with regard to trade between themselves, and the other the question of the cable and its survey. Now, it is obvious to us that these two points will have to come before the British Parliament before they can be settled, and in order to enable Her Majesty's Government to place them before the British Parliament in a favourable light—and I think it may be fairly assumed that Her Majesty's Government, as far as possible, would desire to consider these matters from a favourable point of view—it will be necessary for the government to have some strong arguments in support of them. To remove the disabilities or the restrictions which now exist on intertrade between the colonies, it will be necessary to introduce a bill into parliament. It would be an advantage, I think, if some clearer indication were given as to the nature of the trade which is likely to be affected or to spring up, supposing existing

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restriction were removed. Of course, it is impossible for anyone to make a pledge as to the exact trade, but I think a general indication of the nature of the trade would be of advantage. Well, then, it would be an advantage to know, what would be the nature of the agreements which various delegates think that their governments would enter into with each other. As regards the cable, of course I cannot prejudge any line, but I should like to have a clearer indication of the line which the delegates would wish to have presented before Her Majesty's Government for their consideration; that is to say, as to whether it will be a line from Queensland to New Zealand, to Fanning Island, and so on to Vancouver, or whether it would be direct from Queensland through Fiji, and touching, or perhaps not touching Honolulu. The exact line, I do not think this conference could lay down, because before anything could be finally settled a survey would have to be made; and here I should just like to say that, when I was talking about the expense of the survey—it was only incidentally I mentioned it—I do not suppose it is at all likely that, as the Admiralty is continually engaged in surveying the Pacific, there would be any very great difficulty in deciding that the survey should continue in some particular route. But it would be, I think, necessary to have a clearer line laid down; so that it could not be argued that the Admiralty were going to be sent on a fishing expedition. Then there is a question also of the business which the cable might do. Mr. Playford, in his statement, has pointed out the course which South Australia took for the sake of cable communication, and also pointed out that it had been carried out at a great loss. Well, I do not enter into the question what consideration should be made to South Australia; Mr. Playford fully understands that; but I think it would be absolutely necessary that some probabilities should be placed on record in order to enable us to make the case clearer than it is at the present time. I know that Mr. Sandford Fleming has given some data in a report of his as to what he thought would be the revenue of the cable, and he assumed that it would get one-half of what goes through the present cable. We can easily see that does not take into consideration the fresh business which would spring up; there would be a fresh inter-Australian and Canadian business. We know that trade begets trade; I think Mr. Fitzgerald spoke in the same sense, and so did Mr. Lee Smith, stating that the vitality of commerce in the present day depends upon rapid communication. Without being able to state facts, it would be allowable to state probabilities of an increase even over what Mr. Sandford Fleming has stated; but still what I want to press upon the delegates is that this information should come from the conference, so that I might be in the position of being able to lay it before my government. Most of the gentlemen present here have had to do with Parliament; they know as well as possible that in Parliament there are many minds; there are some who take a broad view of national and imperial duties and obligations; there are others who take a narrower view based on selfish interests; and it will not be surprising in matters of this kind if in the British Parliament, some people will ask, If we are to give a subsidy, what is the interest of Great Britain? If we are to change the present law, will the manufacturing interests be grievously affected? This must be met. I am only saying this in order to show what are difficulties, and it is in order to meet these difficulties that I am asking the conference to give me the means of answering them. British interests will, to a certain be affected, or may be affected; I will say nothing whatever of the rights or privileges of a self-governing

colony, because I am not going to argue that case; I leave that out on purpose; I am speaking of the British interests, which might be injuriously affected. The speeches here have been very clear on this point; there is no desire to affect injuriously British interests; and I take it that it is desirable as far as possible to bring the commercial interests of Great Britain into closer relationship with the colonies. Then there is another point, the question of the strategical importance of the cable. The original idea of the cable was not based on purposes of strategy. It was, I understand, mainly for these two points, namely for commercial purposes and for imperial purposes; it was to try and bring the whole of the Empire within touch of each other; but it was not primarily to provide for the British navy or British army a strategical line. Mr. Fitzgerald is right, and I quite endorse what he says, with regard, to the strategical importance. I am not an expert, and therefore, it seems to me astonishing, not being an expert, that anybody should doubt that two lines are better than one; and, as some gentleman has said, even keeping open a line of communication for one week after a declaration of war, might be of enormous advantage to the Empire; but still what I repeat is that this cable ought to rest chiefly upon its commercial value; and I would urge the delegates to look more to that than to the strategical importance. If it is to be rested chiefly upon its strategical importance, people not knowing the interests of trade might say—"Well, this is a matter for naval experts"; but if you put the commercial importance first, the case is very much strengthened. We are here essentially at this time to consider how we can advance commerce in every part of the Empire, and it is to that point of view that I hope the conference will distinctly address itself. To that I wish to draw the attention of the conference before we go into the rather wider sphere into which Sir Charles Mills is about to plunge us; that I should like to be able to gather some commercial facts supporting the general line which has been laid down by the various speakers during the course of our discussions, and to put those facts in shape, because unless I get something of that kind, I think you will see I shall be placed in a very difficult position, and shall have to generalize a good deal in the matter.

SIR CHARLES MILLS.—In the first place, I wish it to be distinctly understood, Mr. President, that the government and the people of the Cape of Good Hope heartily sympathize in the desires and aspirations of Canada and the Australian colonies for the construction of a cable through the Pacific between Canada and Australasia. I also desire it to be distinctly understood that not a word of what it may now be my duty to say is to be construed into any but the most cordial sympathy with that movement. I will merely endeavour, step by step, to follow the course laid down by Mr. Sandford Fleming. I am deeply impressed by the able and interesting speech made by Mr. Playford, representing South Australia. I entirely concur in his recommendation of a duplicate line wherever a cable may be laid, and I share the conviction that finding ourselves in this matter precisely where it was left by the Colonial Conference in 1887, the first step to be taken ought to be a survey, as recommended by that conference, of the intervening ocean to determine the safest, cheapest, and best route to be followed. Much has been said of the necessity of this cable from the imperial and commercial point of view, and for political or strategical purposes. It might be advisable at no distant period—it is out of the question just now—to have all cables connected with Great Britain and her dominions nationalized, but that cannot possibly enter into

our consideration at present. No one can doubt that in these days an enemy's ship may at any time fish up a cable, cut it, and destroy communication for the time at least; but if a cable only serves to enable a communication of a declaration of war to be made, it will well repay the cost of its construction and maintenance. I can speak of that from past experience. In 1885, you will all remember there was a scare or rather a fear of a Russian war. In London at the time, representing the Cape of Good Hope, I telegraphed to my government first "War with Russia probable." After a little while, when matters began to develop themselves, I telegraphed "War with Russia imminent." The Governor of the colony, and the General, and the Admiral in command of the military and naval forces out there had not heard a word. When my telegram reached the Prime Minister he laid it before the Governor. The Governor summoned the General in command of the troops and the Admiral in command of the navy and they had a consultation, and telegraphed home to know what the cause was, and then they learned that war was actually expected to break out at any moment. Now, at that very time they had in Simon's Bay a small corvette; in Cable Bay which was totally undefended, there were two large Russian corvettes or frigates, and outside, cruising about, simply waiting the word, a large ironclad, which could have come in and taken from us the Cape Peninsula altogether. The naval and military authorities assisted by the Colonial Government set to work, and erected two or three small fortresses in Cape Town. Then came the question of armament; the only armament that could be found were two or three obsolete muzzle-loading naval guns, which might have been just as useful as revolvers against these Russians. Now, that was so recent as 1885; and Her Majesty's Government then sent out some gunboats and torpedo boats, but of course if it had not been for the preparations that were made by throwing up these small fortresses, and by doing the best they could to defend the Cape Peninsula, and if war had broken out, (and the Russians very likely had means of communication we knew not of), they could have destroyed Cape Town and Simons Town, and they could have taken possession of the Cape Peninsula and cut off our communication with the east. That was the danger of having no direct communication by cable, and not using that which we had. The peril was very great and the loss might have been immense. The suggestion Mr. Playford, of first making an exhaustive survey, and having the route determined by experts, which I venture to endorse, might perhaps be taken to delay the completion of the work. Now, I do believe, with all due deference to what has been said on the subject, that if the French Government or any foreign government, or foreign joint stock company, see that Her Majesty's Government is determined to have the route surveyed and to construct the cable, they will think twice before they attempt to lay a cable in competition with it, more especially if discouraged by the colonies concerned. Fully impressed with the great advantages, commercial and political, which the proposed Pacific cable will afford, I hope I may be pardoned if I ask the conference to consider favourably the proposition which I now have the honour to submit, and which merely go to ask on behalf of the colony of the Cape of Good Hope that the cable and its advantages may be extended to South Africa. The subject of telegraphic communication between the United Kingdom and Australia by an alternative route to that supplied by the Eastern Extension Telegraph Company, engaged the attention of the Colonial Conference of 1887. At the opening of that conference Lord Knutsford called special attention to this sub-

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ject, and pointed out the impossibility of overrating the value of our extensive submarine system, either from a political or commercial point of view. He said that in commercial transactions there are few of any magnitude which do not involve the forwarding and receiving of telegraphic messages, and pointed out the great importance of the control of the telegraphs being, as far as possible, in British hands, and by moderate tariffs. To this he then directed the attention of the Congress, and requested the Australian and Canadian members to favour Her Majesty's Government with their views on a proposal to connect Canada and Australia by a cable 7,000 miles in length from Vancouver Island to some point in one of the Australian Colonies, remarking that a very strong case would have to be made out to justify Her Majesty's Government in proposing to Parliament to provide a subsidy for making such a cable in competition with the existing companies. The question has been raised whether such a cable, necessitating the passage of messages from Vancouver to Quebec, over upwards of 3,000 miles of land lines, subject to interruption at any time from accidents due to the inclemency of the seasons and otherwise, and the distance by cable from Quebec to Liverpool, about 2,700 geographical miles, making the distance from Liverpool to Sydney, *via* Vancouver Island, not less than 13,000 miles, would meet all that was required for commercial or imperial defence, unless the lines were continued to India, over the existing Australian land lines, and through the Straits, with extensions to Aden and the Cape in one direction, and to Hong Kong in the other. This plan would increase the distance from Liverpool to India by Hong Kong to about 18,000 miles, and then to the Cape of Good Hope about 22,000 miles, rendering these extensions probably unremunerative, because they would not convey messages to Europe in competition with shorter routes, with which that traffic is already supplied, the present charge to any part of India being only 4 shillings per word. But a large traffic in messages is essential to a telegraph company as goods are to a railway company, and no one can question the enormous importance of adding the Indian and South African traffic to that of Australia in any new scheme for a telegraphic route, inasmuch as it would not otherwise be possible to introduce a favourable tariff. The number of messages passing over the cable, as well as the charge for transmission, will be in proportion to the amount of the commerce of the countries which the cable connects, and while that of Australia and New Zealand in 1886 amounted to 119 millions, of which one-half was with the United Kingdom, that of India, Ceylon, and the Straits Settlements amounted to upwards of 200 millions. It may, therefore, be safely assumed that a cable which should combine the traffic derived from Indian and South African commerce with that from Australia, would permit a far lower tariff being adopted than one which would only carry messages from Australia and New Zealand. And now, to meet as far as I can the request of Lord Jersey, I beg to refer to the maps, which will show that a series of cables with English stations throughout the whole distance might be laid from England to Australia, *via* the Cape of Good Hope, no single length of line of which would exceed 1,700 miles. Such a cable would touch at a great many important points, namely Gibraltar, 1,050; River Gambia, 1,600; Sierra Leone, 580 miles; Ascension Island, 1,000 miles; St. Helena, 720 miles; Cape of Good Hope, 1,700 miles; Natal, 800 miles; Mauritius, 1,500 miles; Chagos or Keelung Island, 1,200 miles; Ceylon, 900 miles; Singapore, 1,600; and Exmouth Bay in Western Australia, 1,000 miles; from thence by the existing land lines it would connect with Melbourne, Victoria, Adelaide and Sydney, &c., and

might be continued by independent line to New Zealand, 1,050 miles. With such a cable system entirely under one control a very much reduced tariff might be introduced at a charge per 1,000 miles of 3d. per word; the tariff to New Zealand, the most distant point would be 4s.; to Sydney or Melbourne, 3s. 9d., to Singapore, 3s. 3d., to India, 3s., to the Cape of Good Hope, 1s. 8d., against the corresponding 10s. 6d., 9s. 6d., 6s. 5d., 4s. and 8s. 11d. which are the respective prices charged by the Eastern Extension Telegraph Company. Such a tariff could not fail to be remunerative. When the Atlantic cable was first established, our total trade with the United States in 1865 was under 60 millions, as against the Indian and Australian trade in 1887 of 318 millions, but it produced during that year more than £400,000, or at a rate of £1 for every £150 of trade, whereas if we calculate the receipts from the Australian and Indian trade at only one quarter of that proportion, or £1 for each £600 of trade, the receipts of the messages from the trade of India, the Straits, and Australasia on above low scale of rates would amount to £530,000 per annum, and deducting £80,000 a year for working expenses and reserve fund, there would remain a balance of £450,000 wherewith to pay interest on the capital. This does not include the Cape trade, or that of many other stations on the African coast, which is now very considerable. At £250 per mile, which since the fall of the value of copper is considered an ample price, the cost of laying these cables would be about £3,500,000 sterling, and if with a view to possible extension the capital of the enterprise should be raised to £4,000,000, a dividend would be provided at about the rate of 10 per cent or 11 per cent per annum. When it is added that the Eastern Extension Telegraph Company have a combined capital of more than twice that amount, and that their united revenue in 1886 amounted to £1,178,000, it cannot but be admitted that this estimate is a very moderate one. It would be sufficient, however, that the Imperial and Colonial Governments should guarantee a revenue of £160,000 per annum in order that the requisite capital for laying such cables should be immediately raised without the least difficulty, and of that guarantee it is highly improbable that they would ever be called upon to disburse a single penny. Now a few words as regards the Eastern Telegraph Company's South African Branch. By an Act of the Cape of Good Hope Parliament, proclaimed on the 8th September, 1879, the payment of an annual sum of £15,000 for a term not exceeding 20 years from the date of completion of the line was authorized, the Act providing that the company should be bound to maintain the line in good order during that period, payment of the subsidy to cease if the line is not in working order for any space of time exceeding six months, the cost of a message to or from London not to exceed 10s. per word. The company now charge 8s. 11d. per word to the public and 6s. 3d. to the Government. This contract expires in 1890. It is impossible to estimate the increase of traffic on this line since the opening of the gold fields in the Transvaal, and the acquisition of the territories north, that is to say, Matabeleland, Mashonaland and Bechuanaland. Since that Act was passed the Eastern Telegraph Company has laid a cable along the west coast of Africa, that is along the points already enumerated, thus encircling the whole of the South African continent, under an agreement dated 8th February, 1886, in which I can find nothing to prevent the competitive cable being laid on the line above indicated. The construction of such a cable in connection with that from Australia, via Mauritius would appear to be the only means of bringing about a reduction of the present high rate charged by the Eastern Telegraph Company for messages to

the Cape of Good Hope, Natal, and other parts of South Africa. In the interests of all the colonies concerned the promotion of such a cable is, therefore, strongly urged and recommended. Whilst again emphatically declaring that not a word uttered by me is intended to be in any way inimical to the unanimity in which I hope the motion of Mr. Suttor will be carried, I would respectfully suggest that Her Majesty's Government, in conjunction with the governments of the colonies concerned, be moved to give the earliest possible effect to the resolution passed at the conference of 1887, by causing a complete and exhaustive survey to be made for discovering the best, shortest and safest route for laying and working the cable across the Pacific from Canada to Australia, and for the extension eastward to South Africa, for the sake of the political and commercial interests of the Empire.

Hon. Mr. FORREST.—It was not my intention to have addressed you at present, because I discussed this subject most fully with my friend and colleague here, and I consider that he has said everything pretty well which I would wish to say, and said it much better than I could. There is no use of us both travelling over the same ground. But it occurred to me last night that there was one point which though touched on incidentally, had not been sufficiently emphasized, and that is the probable extension of trade. I would like to make a few observations in this direction; and the remarks of Lord Jersey to-day which I am very much pleased to hear, give me an additional reason for making them. I think I can furnish some substantial arguments why the cable should be laid. We can only judge of the future by what has been done in the past, and I have a few words to say to you which perhaps may help you to come to a conclusion on this point. For my own part, I do not concur with the idea that we can only look at these matters from the standpoint of an immediate advantage to ourselves—I mean pecuniary advantage. In the ordinary conduct of the business, which depends chiefly upon individual effort, each man must conduct his business so that he may obtain an immediate return, because men must get their daily bread; but, I say, we ought not to look for immediate returns, in national affairs and particularly in conducting the affairs of the Great British Empire. I cannot give you a better illustration of the truth of my contention than the fact of our being here to-day. Had the great and farseeing statesmen of England paused to count the cost, they might never have secured colonial possessions; and we are here today because they did not count the cost and because without looking for immediate returns—to use the words of Lord Rosebery—"they pegged out claims for futurity." I will now endeavour to show you the expansion that has taken place in 20 years from 1870. Speaking from memory the Australian cable was commenced in 1869.

Hon. Mr. PLAYFORD.—The cable was finished in 1872.

Hon. Mr. FORREST.—1870 is as near the point as I could conveniently get, and I pause to state that I take the Canadian returns from 1871. I have reduced these amounts to pounds sterling. The imports of Canada in 1871 were £14,962,871; its imports in 1891 were £24,371,650; in 1871 exports were £14,714,600; in 1891, £19,349,829; its population in 1871 was 3,675,024; in 1891, 4,833,339. Of course all these figures have increased during the last four or five years. In the Australian colonies, exclusive of New Zealand, the imports in 1870 were £24,826,346; in 1890, £61,670,351; its exports in 1870 were £26,262,966; in 1890 £54,852,854.

Hon. Mr. FITZGERALD.—You omit New Zealand.

Hon. Mr. FORREST.—I started by saying I omitted New Zealand. I will refer to New Zealand later on. In 1870 the population of Australia was 1,650,172; in 1890, 3,159,841; that is nearly double in 20 years. The imports in New Zealand in 1870 were £4,629,015 and in 1890, £6,260,522; its exports in 1870, £4,544,682; in 1890, £9,423,761; In 1870 the population of New Zealand was 248,400. In 1890 it was 625,508. Gentlemen, I ask you to turn and look at the map hanging on the wall. See the enormous portion of the American continent which belongs to Canada. It contains, at the present time, scarcely a population of five millions. It is rich in soil, has an excellent climate, and I have great pleasure in saying that to my mind it has got the most energetic, the most enterprising, and the most healthy population I have ever seen. We cannot estimate men by counting noses. If I had to fight the battle of life in any form, I would rather have ten men of a certain type behind me, than I would have 100 of another type. Then take Australia. It has a very large surface, it abounds in natural richness, the great portion of which is not developed. Have we forgotten the genius of the race when we talk about the proposed cable not paying? Have we ceased to develop? Are we not going to expand? The figures I have read with regard to the population and the trade at the time the Australian cable was started, and at the present time, show that if there was room for one cable then, there is room for more than two cables now. Surely we can rely upon the people of Canada, and the people of Australia going on with the development which they have started so auspiciously. Gentlemen, I think if we consider these matters carefully, we will see that purely a commercial standpoint, is not the highest standpoint in the preservation and conservation of a great Empire like ours; but, from that standpoint alone we can see ample room for another cable. I will not detain you. Each man can think these propositions out for himself. We know what has been done in the past; Canadians know the great richness of Canada, and Australians know the richness of Australia; and do not for a moment imagine that I have forgotten the Cape; I rejoice in its prosperity and trust we will soon be connected with it by cable. The mere question of Vancouver cable paying, to start with, should not for a moment prevent us from advocating its construction.

Sir HENRY WRIXON.—I am afraid I have been misunderstood in something I said, because Sir Charles Mills made the remark that he did not agree with the view I put forward.

Sir CHARLES MILLS.—Not at all. What I wished to say was that if Her Majesty's Government, and this Conference pass this resolution, show that they are in earnest, show a determination to carry it through, it will deter any foreign Government, or any foreign joint stock company from attempting a competitive cable.

Sir HENRY WRIXON.—I wish to say I thoroughly subscribe to that view. My argument was this, that if Her Majesty's Government did not do it, but threw it over, and this conference threw it over, then France would step in. I never meant to say that if Her Majesty's Government proceeded, France, or any other authority, would intervene. My argument is, that a cable would be laid by somebody over the Pacific before long, and if this conference throws the matter over, and the Imperial Government will not assist, the cable will be built by France. I subscribe to what Sir Charles Mills has said.

Colonial Conference.

Sir CHARLES MILLS.—I naturally assumed that this conference would come to the conclusion unanimously, and that Her Majesty's Government would pay due respect to it, and act upon it without delay.

Hon. Mr. FRASER.—May I be permitted to give a notice of motion. I think it will help to define the route:—

That in view of the desirability of having a choice of routes for a cable connection between Canada and Australasia, the Home Government be requested to take immediate steps to secure neutral landing ground on some one of the Hawaiian Islands, in order that the cable may remain permanently under British control.

Mr. LEE SMITH.—Perhaps this would be an opportune time for me to give notice of my resolution. So certain am I that on the present lines nothing will be done, that there will be a delay of probably five or seven years, as in the past, that I think the proper way to proceed is in accordance with the resolution which I now read. That will bring the question before us in a definite, business-like form. We will be able to get tenders, because I am certain that the bogie of survey will be got over in six months. A first-class cable firm would complete the thing in a fifth of the time a government would. Mr. Sandford Fleming suggests I should add another proposition which I will place at the end.

(1.) That in the opinion of this conference, the most speedy and effective manner in which direct cable communication between Canada and Australasia could be established, would be by inviting offers to carry out the work under conditions to be hereafter decided upon.

(2.) That with a view to this end the Canadian Government be requested to solicit offers of plans, specifications and terms for alternative lines as indicated by the several proposals submitted to this conference.

(3.) That any tenders received be submitted for the consideration of the several colonies interested, and that any expenses incurred be paid by the said colonies jointly, according to their population.

(4.) That in the event of the proposals not being satisfactory the several governments take steps to carry out the undertaking as a national work."

COMMERCIAL RECIPROCITY.

Sir HENRY DEVILLIERS, pursuant to notice, moved:

That in the opinion of this conference, any obstacles which may at present exist to the power of the self-governing dependencies of the Empire to enter into agreements of commercial reciprocity, with each other, or with Great Britain, should be removed by Imperial legislation, or otherwise.

I shall not take up the time of this conference long, because my motion is a very simple one. It is intelligible to all, and I think it is quite comprehensive enough to meet the views of every member present. Honourable members will remember that on the 30th June, a resolution was passed that provision should be made by Imperial legislation, enabling the dependencies of the Empire to enter into agreements of commercial reciprocity, including the power of making differential tariffs with Great Britain, or with one another. You, Mr. Chairman, were not in the chair at the time—our friend, Sir. Polphe Caron, was in the chair—everything was done regularly, the resolution was put and carried, but I must state that I was not attending at the time, and that the resolution was carried without my knowing that it was on the point of being put. I certainly did not think that the resolution would be put to the vote without some indications from Lord Jersey as to the views of the Imperial Government. It was then suggested that I could propose any amendment, there and then, even after the resolution was carried, but I was not prepared to do so. It was arranged that the whole matter should stand over. Thereupon Mr. Fitzgerald gave notice of a motion which he was going to move to-day, and I stated that the resolution would be on the same lines as the resolution which has already been

carried, and the resolution which he was going to propose. My objection to the resolution which has been already carried is that it practically leaves the Cape of Good Hope out of consideration altogether. I say the Cape of Good Hope is not affected in the least by that resolution. That resolution is that provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements for commercial reciprocity, including the power of making differential tariffs with Great Britain, and with one another. So far as the Cape of Good Hope is concerned, I do not understand that any imperial legislation is required. As I understand it, at this moment it is possible for the Cape and Canada to enter into an agreement of commercial reciprocity, without first asking the consent of the home government, and without the necessity of any imperial legislation. The only hold which the Imperial Government would have would be that it could veto any Act of Parliament which either the Cape of Good Hope or Canada might pass in order to carry out any commercial arrangement between them. That power, undoubtedly, the Imperial Government would possess, and it is a power I suppose which it would exercise if it was found that any such agreement contravenes treaties between the Imperial Government and any foreign power. But, as to imperial legislation, that does not stand in the way. There is no imperial legislation which prevents the Cape of Good Hope from entering into an agreement with Canada. There is imperial legislation in regard to the Australian Colonies. They are specially prohibited from entering into such an agreement, and in 1873 an Act was passed by which amongst themselves they were allowed to enter into such agreements, but there was an express provision that the power should not extend to other countries. So far as Australia is concerned, I admit that imperial legislation is necessary, but as far as the Cape Colony is concerned, no such imperial legislation is required. By passing the resolution which has already been carried, there is a tacit admission on the part of the representatives of the Cape of Good Hope that imperial legislation is required, and that we do not by any means admit. Therefore, I thought it would be far better, in moving any resolution, not to commit ourselves to the vein that imperial legislation is required for all the colonies. My proposition was this:—

That in the opinion of this Conference any obstacles which may at present exist to the power of the self-governing dependencies of the Empire to enter into agreements of commercial reciprocity with each other; or with Great Britain, should be removed by Imperial legislation, or otherwise.

As to treaties with foreign powers, if they stand in the way, my motion will be wide enough to cover them. Now, I come to the proposal of my friend Mr. Fitzgerald. His proposal is:

That this conference is of opinion that the existing treaties between Great Britain and the German Zollverein, and with the Kingdom of Belgium, should be denounced and terminated as early as their conditions will permit, so far as regards the clauses therein specially naming British Colonies; and that Her Majesty's Government be requested to take the necessary steps with this object.

Mr. Chairman, I have two objections to this proposal. In the first place, it is somewhat dictatorial in a matter of supreme commercial importance to Great Britain. But the more important objection is that we by this seem to admit a certain construction of those treaties which is by no means clear as yet. Why should we say that those treaties stand in the way? If they stand in the way, the words "or otherwise" will meet the difficulty; and, therefore, I think it is far better for us not to commit ourselves to the opinion that any treaties stand in the way. There are the two treaties, the treaty with Belgium and the treaty with the Zollverein. I

do not think it is part of our duty to give any construction. If I am bound to give my individual opinion, I must say, at once, I am afraid they would stand in the way of any large differential arrangement between the colonies. The terms are very wide indeed. We have understood from the Earl of Jersey that this matter has been referred to the law officers of the Crown. We do not know, as yet, what opinion the law officers may give. Supposing the opinion of the law officers is that the treaties do not stand in the way, then we have been unnecessarily here expressing the opinion that those treaties do stand in the way. Then, besides, the Belgian Government, and the governments constituting the German Zollverein, would not be bound by any opinion given by the English law officers; they would still hold their own opinion. I think this resolution is wide enough to meet the case. It says "that in the opinion of this conference any obstacles which may at present exist to the power of the self-governing dependencies of the Empire to enter into agreements of commercial reciprocity with each other or with Great Britain, should be removed by Imperial legislation or otherwise." If Imperial legislation stands in the way it must be removed; if treaties stand in the way it is advisable they should be modified or removed, and the words "or otherwise" are sufficient to cover them. Lord Jersey has also asked the members of the Conference to indicate the general nature of any commercial arrangement as between the colonies. As far as the Cape of Good Hope is concerned, with which I have more directly to deal, I had a conversation with the Premier before I left, and he stated that with the growing prosperity of the Cape of Good Hope, and with the great increase of mining industries, there Canadian lumber will be in greater demand; that our colony does not yield lumber in sufficient quantities, and that he believed some arrangement might be made with Canada by which lumber could be introduced duty free, or at a reduced duty, by arrangement between the two countries, and a very large quantity would probably be required. He thought also that Canada, perhaps, on its part, might receive some of our products. We produce that which Canada does not produce in sufficient quantity. For instance, wool, which I believe is not taxed here. Then there are our wines and our diamonds. We might possibly find a market here. I am only mentioning these as an indication to Lord Jersey, because he wished to have some information as to the nature of the arrangement which would be made. I can only speak as to the Cape of Good Hope, and say, that the nature of any arrangement between Canada and the Cape of Good Hope would be of such a nature and refer to products of that kind. I believe Canada is a large manufacturer of agricultural implements, and if trade were established between the two colonies, I have no doubt we would receive a fair percentage of our agricultural implements from Canada, which at present we receive chiefly from the United States. I do not know whether the United States produces them more cheaply than Canada, but perhaps it is only because there has been a trade between the United States and the Cape, that we have hitherto received our agricultural implements from the United States.

Hon. Mr. FOSTER.—Have you a duty on those?

Sir HENRY DE VILLIERS.—No; they are admitted duty free at the Cape, but perhaps it is because there has been no trade between the countries that implements from Canada have not been largely imported into the Cape. I think, therefore, my resolution puts the matter in a crisp form. It does not commit us to the opinion that Imperial legislation stands in the way, at all events, of the Cape of Good Hope, and it does not commit us to the opinion that any treaty stands in our way. At the

same time, where Imperial legislation does stand in the way, or where any treaties do stand in the way, then this resolution which I have proposed will be sufficient to cover everything. I think we should avoid taking any false step at the outset. If we make a mistake at the outset by passing resolutions which are incapable of being carried out, or by passing resolutions which commit us to erroneous opinions, it may very much hamper us hereafter, and it may also hamper the Imperial Government in attempting to carry out our resolution. For these reasons, Mr. Chairman, I move my resolution, and perhaps, Mr. Fitzgerald, after what I have said, may be induced to withdraw his resolution in favour of the one which I now propose.

HON. MR. FITZGERALD.—Mr. Chairman, most willingly would I comply with the request of Sir Henry de Villiers, were it not that I conceive that it would be defeating the very object we are here for, if such were done. Lord Jersey said with a great deal of force that he thought it would be desirable that this Conference, in the business that it accomplished, should be so definite that there could be no possible doubt in the minds of the people at home as to what we intend. I object to the general terms of Sir Henry de Villiers' resolution, because I think he is sailing round the subject, instead of going straight at it. There is a difference, no doubt, with regard to the Cape Colonies and Australasia. Of course Sir Henry de Villiers' motion would meet that, viz., that there is no legislation which prohibits the Cape from making commercial relations with Canada, while there is a distinct prohibition by Imperial legislation as to the colonies. I have before me an address which was presented to the Queen by the Dominion of Canada, in October, 1891. There they distinctly pray Her Majesty to abrogate, to end the treaties between England and Germany, and England and Belgium at least so far as they affect the colonies. I think it is the duty of this Conference to emphasize that. No attention seems to have been paid, certainly no action has been taken by the Imperial Government in answer to this.

LORD JERSEY.—Here is the answer.

HON. MR. FITZGERALD.—But no legislation was ever attempted in accordance with the prayer; it is declined.

THE PRESIDENT.—It might aid you by reading some of the paragraphs in the reply. The reply is dated, Downing Street, 2nd April, 1892. The two most important paragraphs are numbered 7 and 8:—

7.—I have to point out that the denunciation of these two treaties would not of itself confer on the Dominion the freedom in fiscal matters which it desires to obtain; and I am disposed to doubt whether the extensive changes that would have to be made have been fully realized in putting forward this proposal.

8.—Many of the commercial treaties entered into by this country contain most-favoured-nation clauses, and these treaties apply in many instances to the mother country and to all the colonies. In order, therefore, to confer upon the Dominion complete freedom in its negotiations with foreign powers it would be necessary to revise very extensively the existing commercial treaties of the British Empire, and a great break up of existing commercial relations, of which Canada now enjoys the benefit, is involved in the suggestion.

HON. MR. FITZGERALD.—Ours is of a much more limited kind than was asked for in that address to the Imperial Government. We ask simply for power to enter into commercial relations with each other and with Great Britain. Then, whatever difference there may be between the position of the Australian Colonies, and the Cape Colony, in regard to that, there could be no difference as between the dependencies of the Crown, and Great Britain itself. Any arrangement the Cape would make with

Great Britain would include Germany and Belgium under the present treaty, quite as much, in the instance of the Cape, as it would in the instance of Australia. I think I may assume that that treaty would, while in existence, justify Belgium and Germany in demanding the right to enjoy every concession granted between either of these dependencies and Great Britain. If we were to ask our Parliament to consent to a modification which would enable our trade relations, say with Canada, to be extended, and that is one of the objects of our assemblage here, and from that Great Britain were excluded, it would I think be next to impossible to get its assent. The mother country must not be put in a worse position with regard to any tariff arrangement than any of the colonies entering into the arrangement. If we are proposing to modify our tariff in order to extend our commercial relations, we must of necessity pray the government to put an end to the treaties which now give Belgium and Germany the right of coming in on the most-favoured-nation clause, if we include Great Britain. Without Great Britain being included I see no chance of inducing the Parliaments of Victoria or Tasmania to consent to such modification. For that reason, and that reason alone, I say that the limitation of Sir Henry de Villiers' motion could not be accepted by me. I do not think it is necessary I should delay the conference. I believe the existence of these Treaties will seriously imperil the chance of obtaining consent to the required alteration in respect to trade relations, and as such is the case, I think it is the duty of this conference to ask Her Majesty's Government to put an end to the treaties, and so simplify the proposed tariff arrangement we hope to establish. Giving the power of extending their trade, must very materially benefit the colonies, as well as the mother country.

Hon. Mr. THYNNE.—There seems to be some difference in our conception of what is meant by the term "reciprocal trade relations." Mr. Fitzgerald has been saying that the Parliament of Victoria would not be willing to enter into any reciprocal arrangement by which the mother country would not have the same privileges as those granted to the other colonies. All I can say is this, that if we have to wait to make reciprocal trade arrangements, until the time when we can bring Great Britain into the arrangement I am afraid we will have to wait a very long time. It seems to me that the reciprocal trade relations we propose would be something of a bargain between say Canada and one or more of the other provinces. The arrangement to be made, under that power, would be something of this kind. You, in Canada, have one particular article of merchandise that we in Queensland require, we in Queensland have an article of merchandise which you in Canada require. There are other places in the world where we can get all we require and where you can get what you require, but in order to develop trade in both our countries we say we will give you a preference over the rest of the world in that particular article.

Hon. Mr. FITZGERALD.—So you are entitled to do. Great Britain would come in under that.

Hon. Mr. THYNNE.—If Mr. Fitzgerald has made a statement which has been misunderstood, he should have an opportunity of correcting it. Our systems of trading, and fiscal systems are so different from that of Great Britain, that the reciprocal trade arrangement cannot be made with Great Britain and the different colonies at the same time, or at least it is not likely to be so made.

Hon. Mr. FITZGERALD.—I regret very much that I appear to have expressed myself so as to leave members under a misapprehension of the meaning I intended to convey. Any reciprocal arrangement would be of a specific kind, supposing we had power to make it, between any two colonies; that arrangement would be strictly limited to the contracting colonies, but it ought to be quite open to the Parliament of any one to make a similar arrangement with Great Britain, if it was considered wise.

Hon. Mr. FOSTER.—Then we misunderstood you.

Hon. Mr. FITZGERALD.—But Great Britain would not be excluded by such legislation, if the colonies considered it was to their mutual advantage.

Hon. Mr. THYNNE.—That clears the whole question.

Hon. Mr. PLAYFORD.—I am sorry we misunderstood the honourable gentleman. I understood him to say that we should not, under any circumstances, make any special arrangements amongst ourselves which did not include Great Britain. Both resolutions are with the same object. It is only a question of the form in which we shall give expression to our views. We are all of us interested in getting this disability removed which exists in consequence of these two special treaties which are named in Mr. Fitzgerald's motion, and it is a question whether we shall get at it in the exceedingly direct manner in which Mr. Fitzgerald proposes it, or in the manner proposed by Sir Henry deVilliers. My own opinion is that if we can get at it in the way in which Sir Henry deVilliers puts it, it would be better to do so, than in the way my friend Mr. Fitzgerald proposes to meet the question. We meet it then in a broader way, we meet it in a more general way, and we point out clearly in the resolution that if imperial legislation is necessary, let imperial legislation be had, and if not, let the disability be removed by any process which may be in the power of Great Britain to do it. All we want done in regard to these treaties is, that they should not interfere in the slightest degree with any arrangement that we, as colonies, choose to make between ourselves, or with the mother country. We do not trouble our heads as regards the trade with foreign countries, but we wish, as I have indicated, that this disability should be removed. I have noted the form in which Sir Henry deVilliers puts it. My friend Mr. Fitzgerald has put it as against those two special treaties. I think we had better make it more general. There are other treaties than those he mentions there, and you may remove the disability as to these two special treaties, and not accomplish the object you wish to accomplish. I think the form in which Sir Henry deVilliers has placed the matter before us is preferable to the form in which our friend Mr. Fitzgerald has placed it. Both desire to accomplish the same result, and I think it will be better accomplished by the motion that has been put by Sir Henry deVilliers, than by that of Mr. Fitzgerald, and I would therefore advise Mr. Fitzgerald to withdraw his motion.

Hon. Mr. FOSTER.—There is no doubt that Sir Henry deVilliers' motion is a very crisp and effective one. The only point which I differ a little from him about is on the line of directness. We have already passed one resolution which stands on the records of the conference as dealing with the disability in one direction, which is included in the motion of Sir Henry. We would therefore be reaffirming, in general what we had already passed as a distinct resolution, and consequently would be putting on our records more motions than necessary. I believe, when you want

a thing, you should go directly and ask for it, and say what it is you want. If you make it as pointed as possible it takes a long while to stick it into the official mind in Downing Street. We have already taken up the matter of these two treaties. We have, as far back as 1882, as far as Canada is concerned, brought this subject matter as a grievance to the attention of the home government, and a certain amount of official communication has taken place. Then, in 1892 the Parliament of Canada, as has been stated by my friend who moved this motion, passed an address of both Houses in the direct line, for the specific purpose of getting the disability involved in these two treaties removed, so that we could be at liberty to make better relations as regards trade between Great Britain and the different parts of the Empire. A certain amount of influence will be added to that direct request, indeed a great amount of influence would be added to it, if the colonies here assembled in this conference should, upon that one explicit definite thing named in their resolution, back up the agitation which has heretofore taken place, and allow it to be said that the conference of colonies here assembled, as well as previous resolutions of Canadian, and perhaps other colonial governments, all point and press in the one direction, which is to get ourselves out from under the disability which these two treaties place upon us. Therefore, I am in favour of putting the thing just by itself, that this one request should go distinctly. The other covers up a multitude of things, and you have to follow it immediately, by expressing the special representation in order to get before the home government what it is we specially want. You may depend upon it they will never set themselves to work to examine into what are the obstacles that are to be removed, but it is made quite plain to them when we point out the definite obstacles. They don't have to search for it then themselves. They are plain and expressed, and we get more into direct contact. We get a better chance for a favourable results. I am strongly in favour of having the requests specialized. With regard to Sir Henry Wrixon's motion, and without attempting to deal with the case of the Australian Colonies, then would it not satisfy the criticism of Sir Henry DeVilliers with reference to that, if a word or two were inserted that provision should be made in cases where it is necessary by imperial legislation. That would then destroy the force of the criticism of the Cape delegates that they were under that motion assenting to the idea that there was a disparity as regards Cape Colony, if we put in these words. That would take away the effect of that criticism. However, with reference to that, I am strongly of the opinion that we should say definitely what we think as regards that particular thing. In reference to the most-favoured nation clauses I do not think there is practically much difference of opinion. In the first place undoubtedly these treaties make it impossible for Canada or any one of the colonial governments to give to any foreign power what they would withhold from another foreign power having a most favoured treaty arrangement with Great Britain. That is clear. It is also clear that they prevent a colony from giving Great Britain in her own markets any better commercial footing as regards customs' duties than is given a most-favoured nation having a treaty with Great Britain. I think it is also practically clear that this is inoperative as regards the colonies making arrangements amongst themselves, and on that point I would like to read to the conference two opinions which were given in the Imperial Parliament at the time the Canadian Address was discussed in the Imperial House. Sir Michael Hicks Beach speaking in reference to this in the House of Commons on the 9th February, 1892, said:—

The treaty of 1862 with Belgium, and the treaty of 1865 with the Zollverein do not prevent the establishment of any kind of relations between the colonies of this country. All they do prevent is the establishment of, so to speak, preferential relations between the United Kingdom and one of the colonies of the United Kingdom.

He is quite clear upon that. Mr. Balfour, on the 29th March in that same year, speaking also on this question, said:—

The self-governing colonies were free to form commercial leagues among themselves. Great Britain would only become a party on the condition that Belgium and Zollverein receive similar treatment.

Although this next is not pertinent to the present discussion, it is to the proposal I spoke of yesterday. He went on to say:—

Her Majesty's Government had no information which led them to believe that the colonies were desirous of adopting such a policy (that is the trade arrangements within the empire), but should there be a desire for such customs union, it would be the duty of Her Majesty's Government to consider how these treaty restrictions could be removed.

'That I think is a very important and very pregnant sentence by a member of the government at that time, but which I have no doubt would have as hearty a recognition by a member of the present government. Although we get advantages, I am not going to say the British Government does not find very great difficulty in acceding to a request of this kind. She has treaties with Belgium and the Zollverein which are of very great benefit to her. If these two powers should say: "We will not let the colonies out except we break or denounce the whole treaty" then Britain's commercial advantages come up and must be considered, and we as colonists must admit at once that it is the balance of advantages; and if we belong to the Empire it is possible that we may have, for the greater advantage, to submit to disadvantage for ourselves. But what we ask is the least possible. That is that the colonies should be left out so far as the Belgian and Zollverein trade is concerned, and their trade with the colonies is the least important trade, and I do not think it would be impossible in the course of negotiations with the sweeping changes that are taking place, especially with Belgium as regards her arrangements in different parts of the world, that on some auspicious occasion the colonies may be dropped out from that without necessitating the breaking of the whole treaty which is admitted to greatly benefit Great Britain. But, let us press this as our view, subject of course always to the imperial consideration, so that whenever the time comes that we can be let out we shall have the opportunity. Why is it that a colony of 5,000,000 of people to-day, independent so far as its customs are concerned, with an independence given to it readily by the British Government itself, why is it that we should be kept from making good arrangements for ourselves from a trade point of view? It is because in 1862, before we were born, we happened to be included within a treaty within the bounds of which we would not now be by the expressed understanding with Great Britain herself—because in no case does she include a colony without the consent of the colony. Why we should be held under this treaty? It is an anomaly. It is a grievance that we should be hampered or restricted by these conditions. But they are there and we must recognize that they are there. We were within the womb of the Empire then and we are in the lap of the Empire now. We submitted to this cheerfully but on ground of right we ask for it to be seriously taken into consideration and if there is any possible means whereby we can be let out of that, let us go far ahead of that sentiment which is strong to-day in the British Empire, and will be stronger in after years, and claim that something more is due as between children and mother in

matters of trade than is given to foreign powers who are in a state of armed opposition so far as trade is concerned to the mother country and every part of her dependencies.

Sir HENRY DEVILLIERS.—In regard to the condition of this treaty there is one fact lost sight of, and that is in the advantages given to Great Britain by Belgium and the Zollverein the colonies of the British Empire are entitled to share. We share in them, and, therefore, before the imperial government should denounce these treaties, we must ask ourselves whether our respective colonies are prepared to lose the rights given to them at present under the most-favoured nation clause in the Belgium treaty and the Zollverein.

The PRESIDENT.—There is nothing in either the German or Belgian treaties as I understand their provisions, that gives any advantage to Great Britain or Canada over other countries. France is not a party to that treaty, but she has the same advantages in the markets of Germany and Belgium that England and her colonies have. Her treaties are not based upon the principle of French treaties. France has a minimum and a maximum tariff. Her tariff is open to the whole world, hence we received no advantages from the treaties which exist at present over any other nation in the way of tariff in either of these countries.

Lord JERSEY.—Sir Henry was preferring to the privileges—besides tariff privileges, and we should consider these. The treaty deals with many subjects.

Sir HENRY WRIXON.—Mr. Foster has put most clearly the view I was going to submit, and which I hope the conference will adopt, and which I hope the Chief Justice may see his way clear to adopt too. I prefer the way Mr. Fitzgerald puts this question. We do know what we want. The two things we want are the abolition of that prohibition as regards the Australian Colonies, and the other is the removal or denunciation of the particular clauses in the two treaties which prohibit commercial arrangements between the colonies. These are what we want. The Chief Justice puts it so exceedingly vague that it would convey to any one reading our resolution that we didn't know what we wanted. He says, in the opinion of this conference, any obstacle should be removed by legislation or otherwise. The obstacles are not mentioned in the resolution.

Sir HENRY DEVILLIERS.—Supposing the law officers say the treaties are not obstacles.

Sir HENRY WRIXON.—I will come to that in a moment. I want the conference to see that we have made up our minds what we want. We do know what we want, and I certainly think it would be better that this conference should adopt a more concise way. We have already gone half-way. My resolution is adopted. The only objection is what the Chief Justice has just indicated. What he says is that these clauses in the Belgium and Zollverein treaties do not really prevent commercial arrangements.

Sir HENRY DEVILLIERS.—I say we are not yet entitled to assume that they do.

Sir HENRY WRIXON.—All I can say is that if this is so it has been kept in the background. It has not been known and to tell the truth the whole of this question has been in a state of progressive development. I think up to a recent period the authorities did conclude that the clauses in these treaties did prevent this commercial reciprocity between the colonies. We are entitled to act upon that assumption because at present we should not assume that those clauses do not interfere and it

is not for us to raise doubts. We are entitled to take what has hitherto been accepted as the fact up to the present time. As illustrative of that I refer to a memorandum laid upon the table of the House of Commons in 1888. The House of Commons passed an address that year asking for a return of treaties of commerce in force between the United Kingdom and foreign nations which precluded preferential fiscal treatment in the case of colonies and dependencies under the British Crown, and that address was answered in language showing that it was assumed that these treaties did interfere with intercolonial arrangements. And that answer goes on to enumerate the treaties which did so, so that I say as far as we know publicly the writer of that answer puts these two treaties as precluding this preferential trade. I say, therefore, as far as we know it is assumed by the House of Commons and by the authorities up to a certain point of time at any rate, that these clauses in the two treaties do prevent our securing commercial reciprocity. I think it is better to adopt the proposal of Mr. Fitzgerald, and if later eminent legal opinion says that it is not necessary we can say that we have erred in very good company. But that is the only objection to adopting the motion. I would suggest to the Chief Justice whether he would not think it better, as we have gone half way in being definite, let us go the whole way in being definite, and adopt the view proposed in the motion. I am not so certainly informed in imperial matters as to know whether the motion might not include something we do not quite understand. It is so very general in its wording that an absolute resolution asking this to be done may include some things we really are not absolutely acquainted with. I feel it is necessary to be precise in passing a resolution of this kind and I hope the Chief Justice will not feel bound to press his view.

Hon. Mr. SUTTON.—I have listened with pleasure to the remarks of Mr. Foster, who so strongly argued in favour of England and her dependencies being allowed to trade with each other on more favourable terms than any foreign power. I can, I am sure, agree with every word expressed by him, but I would like to point out to Mr. Fitzgerald, who has moved his resolution that, if we are going to define the treaties that exist between England and foreign powers he should not stay his hand by only referring to the German Zollverein and the Belgian Treaties. I was going to point out, if a statement we have heard since we arrived in Canada is true, that Canada has entered into a treaty with France by which the colonies cannot send wine here on more favourable terms than France can. Surely if this is true this treaty should receive consideration at the hands of the imperial government as well as the other foreign treaties. I understand you (addressing the Canadian delegates) have entered into a treaty with France by which you allow her wines to come in here on more favourable terms than you allow the wines of other foreign countries, and we have been informed that we cannot send our wines here on the same terms as France. That is putting us under the same conditions as regards Canada as the foreign power under this treaty. If we are going to alter the existing treaties we might ask the home government whether it is not desirable to reconsider this proposal made with regard to France, and if they are not going to put their colonies on more favourable conditions than they propose to put France.

Sir HENRY WRIXON.—There is nothing to prevent Canada doing that. There is nothing to prevent our entering into a treaty with Canada in conjunction with the French treaty.

Sir HENRY DE VILLIERS.—It could not be more favourable than the treaty with France.

Hon. Mr. SUTTOR.—If this treaty between France and Canada is in existence we cannot be on more favourable terms than Canada and France. Therefore, why do we stop and leave out this existing treaty between England and France.

Hon. Mr. FOSTER.—Will Mr. Sutor allow me to correct that impression? There is nothing in the French treaty beyond that it simply confirms that we shall allow French wines to come in at a certain rate and another clause confirms that if we give to any other country a lower rate we shall give that same rate to France. There is nothing in that which precludes Great Britain and her colonies doing anything they please with reference to their internal trade. Thus Cape Colony and Canada can make an arrangement to-morrow by which Cape Colony wines can come in here free of duty and French wines will come in at the rate which we had named, so long as we give no more favourable rate to any foreign country.

Hon. Mr. SUTTOR.—We are all very glad to have heard the explanation of Mr. Foster, but still pardon me if I say his explanation leaves us exactly as we were before. Mr. Foster's explanation is that we are permitted to come in with our wine on the same conditions that France sends her wine in, but if the Canadian Government and any of the colonies agree amongst themselves to send in their wine free of duty, France can claim to send her wines in on the same terms. Is that not so?

Hon. Mr. FOSTER.—That is not my impression of it. I am sending for the treaty now.

Sir HENRY DE VILLIERS.—This is the clause: "Any commercial advantage granted by Canada to any third power, especially in tariff matters, shall be enjoyed fully by France."

Hon. Mr. FOSTER.—Cape Colony is not another power.

Sir HENRY DE VILLIERS.—Any commercial advantages granted by Canada to any third power, especially in tariff matters, shall be enjoyed fully by France.

Hon. Mr. FOSTER.—My honourable friend will see that there were two Powers connected with the making of that treaty. One was Great Britain and the other was France. Great Britain included the colonies. The only stipulation that is provided by that treaty is this: that we shall give to France the advantage of a certain rate for her wines. That has a rider upon it respecting any third power—what is the third power? It is not Great Britain. It is not France. It is certainly not Newfoundland, and it is certainly not Cape Colony. If we make any arrangement with Austria or the United States or any power, we have to give France the better rate, but if we make an arrangement to please ourselves amongst ourselves in our family of sister colonies, we can let their wine in at just what we please, and give France no better rate than the treaty gives her.

Sir CHARLES MILLS.—Hear, hear.

Hon. Mr. SUTTOR.—We shall be permitted to make an arrangement altogether outside of this treaty between France and England.

Hon. Mr. FOSTER.—Quite so.

Hon. Mr. SUTTOR.—I am glad to hear that is so. As regards Sir Henry de Villiers' resolution, if we consider the light in which this resolution may be read outside this conference, we shall appear to have repeated ourselves, and without the

explanation touching this resolution of Sir Henry de Villiers, the resolution submitted might be considered similar to the one the conference has already decided upon. In that view I think it would be well if we could adopt some other means of expressing the ideas he wishes to have confirmed by the conference, and on the other hand there may be something in the objection raised by Sir Henry de Villiers to the effect that Mr. Fitzgerald's resolution may be too mandatory to receive favourable consideration at the hands of the home authorities. Since this discussion has been going on, I have drafted roughly an amended resolution which Mr. Fitzgerald might listen to in order to see if it will meet his views and also those of Sir Henry de Villiers. I only refer to treaties, and leave out the other obstacles, because of Sir Henry de Villiers' statement, that at the Cape there is no necessity for imperial legislation. Simply with a view of making this resolution more general, and meeting to a certain extent Sir Henry de Villiers' objection, and taking in Mr. Fitzgerald's resolution, I would suggest whether it would not be well to adopt some such resolution as this:—"That this conference is of opinion that any provisions in existing treaties between Great Britain and any foreign power, which prevent the self-governing dependencies of the Empire from entering into agreements of commercial reciprocity with each other, or with Great Britain, should be removed."

Hon. Mr. FITZGERALD.—That is Sir Henry Wrixon's motion over again.

Hon. Mr. SUTTOR.—I would not ask for a division on the subject. I submit it as a proposition to get over the difficulty which seems to exist in the minds of some members of the conference as to whether they could vote for one resolution or another.

Hon. Mr. PLAYFORD.—Mr. Fitzgerald's motion will not do. These are not the only existing treaties that bear on this question. He covers too small a ground. If he looks at the address delivered to us by the Chairman, he will see a reference there to this particular subject. He will see quotations there of a memorial that was forwarded by the Parliament here to the imperial House on the subject, and the last clause of that Memorial shows that they did not confine themselves in their representation to that at all. That Memorial reads:

The Senate and House of Commons therefore humbly request Your Majesty to take such steps as may be necessary to denounce and terminate *the effect of the provisions referred to as we'l in the treaties with the German Zollverein, and with the Kingdom of Belgium, as with any other nation, in respect of which such provisions are now in force.*

The last words are in italics evidently to lay special stress upon them.

Hon. Mr. FITZGERALD.—What is the date of that memorial?

Hon. Mr. PLAYFORD.—1892. The only contention is that the motion is too confined. It is confined to two treaties and as I suspected there are many other treaties. I am under the impression that the motion that has been moved by the representative of New South Wales, Mr. Suttor, will cover the ground.

Hon. Mr. THYNNE.—It seems to me we have gone away entirely from this question to a question of words. I think we have to a large extent gone away from the practical aspect of the question we are discussing and have allowed ourselves to be involved in two or three forms of expression. What we ask to-day is to get the power amongst ourselves to enter into reciprocal arrangements and we assume very strongly that these treaties of Belgium and Berlin prevent us from doing that. I do not think at the present moment there has been any proposed

reciprocal arrangement suggested at this conference which would in the slightest degree interfere with either of these two treaties. Look at the wording of the Belgian Treaty and you will find that the restrictions that are placed in favour of goods of Belgian manufacture or Belgian raw material and that the same thing applies to British productions or manufactures. Now, is there any one subject of trade that is likely to be subject to reciprocal arrangements between any two of our different colonies or which is likely to be interfered with by the restriction placed by that treaty. I cannot think of one. Take any article that is produced in Canada that we are likely to take to the Australian colonies that would interfere with that treaty. I know of nothing that will come from Belgium or Germany that will in the slightest way compete with the production of Canada.

Hon. Mr. PLAYFORD.—What about implements and so forth?

Hon. Mr. SUTTOR.—Or ironworks.

Hon. Mr. THYNNE.—You import iron from Belgium. You are not likely to export that iron to us. Each colony has got to look at what it produces to see whether it is likely to be produced in any other of these countries. Now take a practical point. Suppose a reciprocal arrangement is made between Canada and the colony I represent on two articles, one of which is a production of Canada which we have not, namely the salmon. We produce on the other hand sugar. Supposing that these are the subject of our reciprocal arrangement. If we let in Canadian salmon duty free and Canada admits our sugar duty free, you see there is a practical proposition.

Hon. Mr. FOSTER.—Go outside of natural productions.

Hon. Mr. THYNNE.—Take these two things; they would not be affected in the slightest degree by German sugar.

Hon. Mr. FOSTER.—Beet-root sugar can come in from Belgium.

Hon. Mr. THYNNE.—In Australia we have put a duty on sugar manufactured from beet.

Hon. Mr. FOSTER.—But we have not.

Hon. Mr. THYNNE.—There is no difficulty in it. The increased duty has been put on to protect the production of cane sugar against bounty fed beet sugar.

Hon. Mr. FOSTER.—The very moment we let your sugar in free, Belgium comes up and says we will send in sugar free too.

Hon. Mr. THYNNE.—Where is your sugar produced? In Belgium?

Hon. Mr. PLAYFORD.—Yes; plenty of it—beet-root sugar.

Hon. Mr. FOSTER.—We import hundreds of tons of beet-root sugar now.

Hon. Mr. THYNNE.—You should import cane sugar in preference to beet sugar. For tariff purposes the two articles may be treated quite differently. I can see no difficulty with regard to the two questions. When difficulty arises it is quite time enough to ask the imperial government to interfere with the commercial treaties for the sake of some practical purpose and not for some mere hypothetical proposition which may never require practical solution. I think our great success in our business throughout the Empire is because we have waited until the occasion for practical work has arisen before making a change. Before we can offer to the imperial government any single practical instance in which we are desirous of entering into reciprocal trade, which instance is interfered with by the Belgian or Zollverein

Treaty, we are asking the government to do a thing we ought not to ask them to do, and we ought to postpone making that request until we come to a better understanding and find whether we are prohibited from carrying on the extension of that trade. We are in this position, too, so far as Australia is concerned, that for twenty years we have had this power of making a mutual agreement yet we have never exercised it. Now we are asking the imperial government to go further and interfere with their trade with other countries before we are able to offer them some practical object that we are anxious to carry out and which we are prohibited from doing by that treaty. Let us wait until the necessity arises. When it arises I have no doubt our request for the alteration of these treaties will have full weight with the imperial government.

Hon. Mr. FOSTER.—I do not think my honourable friend points to the present difficulty. Supposing that you and we to-day wanted to make an arrangement as between sugar and salmon. You will say: "We will give you your salmon free into our country if you will give us our sugar free into your country." That would be the present contingency. The very red hot moment you make that proposition and put it in cold black and white on the Statute book, under that Zollverein Treaty in so far as Sir Henry de Villiers thinks it would permit them to, ship loads of beet-root sugar could be sent over from Belgium and Germany free as well.

Hon. Mr. THYNNE.—The question between cane sugar and beet-root sugar is actually disposed of now. We have succeeded in some of the colonies in putting a heavy import duty on beet-root sugar. It is against all countries. Cane sugar is not similarly taxed.

Hon. Mr. FOSTER.—We possibly could not do that.

Hon. Mr. FITZGERALD.—After this discussion I haven't the slightest objection to adopting the form in which Mr. Suttor has moved his motion. It embodies all I want.

The PRESIDENT.—We are not considering Mr. Fitzgerald's resolution now. The resolution before the chair is Sir Henry de Villiers's motion. While Mr. Fitzgerald's motion stood first upon the Order paper Sir Henry de Villiers asked permission to move his motion first, expressing the opinion that probably Mr. Fitzgerald would after hearing his explanation withdraw his motion. Mr. Fitzgerald declined to do that and I understand Sir Henry de Villiers presses his motion. The motion in amendment to be voted upon is Sir Henry de Villiers.

Mr. LEE SMITH.—I do not pretend to have the same expert knowledge on this question shown by so many gentlemen who have spoken, but if I may be pardoned for saying so, I think the discussion is something of the kind of a debating society's programme. I can clearly see we all desire the same end, to remove all the obstacles that are and may exist as to carrying out what we desire. It is no use wasting our time discussing the way we all ought to agree upon. I think if we took the two motions together, or probably Mr. Suttor's motion, we might meet the difficulty. We should stick to this matter and get what we want, and I hope the conference will take steps to bring the matter to a conclusion as quickly as possible.

Sir HENRY DE VILLIERS—I must admit that my resolution, if carried, will involve the rescinding of the resolution that has already been arrived at. Unless we are unanimous I could not possibly press my motion. The first resolution was carried at a time when I was not aware it was going to be put. That resolution implies

that imperial legislation is required to enable the colonies to enter into reciprocal arrangements with each other. That is a general proposition. Imperial legislation is required to enable certain Australasian colonies to do certain things, but not to allow the colonies of the Empire to do certain things. As that resolution has been carried, and as my motion will serve no good purpose unless unanimously agreed to, I will with the leave of the conference withdraw my resolution in favour of the proposal of Mr. Suttor, which is a better one than the proposal of Mr. Fitzgerald.

Hon. Mr. FITZGERALD.—I willingly withdraw the motion of which I have given notice in favour of that in the form of the motion given by Mr. Suttor.

The PRESIDENT.—Both motions are now withdrawn, that is the motions given by Mr. Fitzgerald and Sir Henry de Villiers. The discussion will therefore be continued on the motion of Mr. Suttor.

Hon. Mr. FORREST.—I am not going to object to the withdrawal. It seems to me, however, that the discussion would have been more appropriate had the question been that of commercial union between England and her colonies, and protection against the rest of the world. I would have voted for this form. But at the same time I would say we would be premature in asking England to immediately interfere with existing principles. I vindicated my reason for this in the first remarks I made here. The foreign trade with England at the present moment is an immense one, and that trade may be seriously interfered with if we ask England to cancel the existing arrangements with Belgium and other countries. And gentlemen, the foreign trade of England is of the vastest importance to Australia. I look upon England as the great agent for receiving our raw material and distributing it, after manufacturing, throughout the world. It would be impossible for us to distribute our products without the assistance of England. I say again if we do affirm a principle of commercial union I would recommend that we hasten slowly, because we are not prepared. Supposing other countries followed our footsteps, and supposing they said to England: "If you do this we will cancel our treaties with you. Supposing we limited the foreign trade of England, is it not as clear as the sun at noon day that we are thereby limiting our own trade? We cannot get on with these matters unless we define our terms. The words "obstruction" and "disability" have been used. I do not consider the treaties with other countries that we are proposing to cancel as disabilities. It is very much the other way. It is owing to these treaties that we are able to get a market for our productions. Therefore, I think we ought to approach the question of their cancellation with very great caution, and more particularly seeing that the colonies at the present time can make any arrangement they think proper amongst themselves. If there is anything in the remarks of Sir Michael Hicks-Beach and Mr. Balfour as read by Mr. Foster, the colonies can at the present time enter into an arrangement, without any further legislation. I think at the same time that what is looked upon as a disability is very far from being a disability as far as we are concerned, and you will understand that in making these remarks I am in favour of a commercial union between England and her colonies, a free trade one, if possible, and if not free trade a differential tariff in favour of England and her colonies. But such a change must, in my opinion, be of slow growth, otherwise the cure may be worse than the disease.

Sir CHARLES MILLS.—May I be permitted to say one word with regard to the statement of Mr. Thynne. He questioned the trade of Belgium with Her Majesty's Colonies. Now the Cape has one of her mail steamers calling at Antwerp every week, and I am sure she does not go there for nothing. There is a trade between the Cape and Belgium and contra. We want to get our farm implements from Canada, and we want Canada to take our wine and other products under reciprocal arrangements. Belgium, at present, supplies an immense quantity of agricultural implements, and in the face of that treaty, should we make any arrangement with Canada the Belgium Government might naturally claim the right to deal with us under the same terms that we deal with Canada. I admire the remarks of Mr. Foster, but I admire a great deal more what he said when he removed a great fear from my mind with regard to the French treaty. When I heard of that treaty and also heard that one or two of the Australian Colonies had entered into a cable contract with a foreign power, I began to fear that in all these commercial transactions, there had been a great deal too much human nature evidenced between the contracting parties. I was delighted to hear from Mr. Foster that the Cape could introduce her wine into Canada on the same terms in which we would permit her lumber and agricultural implements to be introduced into Cape Colony. France has already a great advantage over the colonies with regard to her wine trade, on account of her being so much nearer to Canada than we are, and because our wines have to travel across the equator, a very dangerous matter for light wines. Therefore, France has already the advantage, and if we are placed on the same footing as regards the importation of wine into Canada, with France, we should be entirely at a disadvantage. Therefore, I was delighted to hear that we could be placed on a footing with regard to our exports to Canada, without France having the same privilege.

Hon. F. B. Suttor's motion was then adopted.

Hon. Mr. Foster then gave notice of the following resolution :—

Whereas, the stability and progress of the British Empire, can be best assured by drawing continually closer the bands that unite the colonies with the mother country, and by a continuous growth of a practical sentiment and co-operation in all that pertains to the common welfare.

And whereas this co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products,

Therefore resolved :

That this conference record its belief in the advisability and practical possibility of a customs arrangement between Great Britain and her colonies by which trade between the Empire, may be placed on a more favourable footing than that which is carried on with foreign countries.

And further resolved :

That impending the assent of the mother country to such an arrangement in which she shall be included, it is desirable that the colonies of Great Britain, or such of them as may be disposed to accede to this view, take immediate steps to place each other's products on a more favoured customs basis than is accorded to the like products of foreign countries.

THE PACIFIC CABLE.

The PRESIDENT.—The debate on the resolution submitted by Hon. Mr. Suttor having been adjourned in the forenoon at the request of the Canadian delegates, for the purposes of consultation, Hon. Mr. Foster will be asked to proceed with the discussion.

Hon. Mr. FOSTER.—As I stated the other day in the course of the debate I have been a very interested listener of the discussion which was going on in reference to cable communication between Australia and the other colonies of Great Britain. The discussion has taken, of course, a wide range, commencing with the idea of a

cable communication between the Australian colonies and Canada, and then widened by my friend Sir Charles Mills into an ultimate connection by an independent line with Cape Colony; and, before that, widened still more by Mr. Fleming in what struck me as being a very comprehensive and very excellent plan for cable communication between Great Britain and her colonies on the lines of security as well as of efficiency. I am quite free to say as a layman, if we were beginning anew and commencing the construction of cables, that it does seem to me the plan outlined by Mr. Fleming, for communication between the head of the Empire and its different parts could be very little improved upon, and would be one which combined the commercial advantages of intercommunication and security, that it would have been followed by the governments and people of those countries which are affected thereby. The first thing that struck me with reference to the cable communication was, as to the difficulties that are in the way; secondly, as to whether those difficulties could be surmounted; and thirdly, as to whether or not the considerations are sufficient to make us surmount them; and fourthly, as to the ways and means by which they could be surmounted. Certainly the difficulties of arriving at a conclusion and the absence of definite information at present are very considerable, and they have been set forth very carefully and very boldly by my friend who sits behind me (Mr. Playford) to whom I think this conference is indebted for the outspoken statement of the case he presented. It is the mind of a man who is not over-much in favour of it, but who is yet practical and clear in his perceptions of what is in the way of the successful accomplishment of the work. There are difficulties. The question that would come up is, as to whether these difficulties were insurmountable. Here you have, several primarily interested Australian colonies, as well as to a certain degree New Zealand and other subsidiary colonies lying between us and New Zealand. Then you have the Dominion of Canada, a sort of half-way house as it were, interested as well, to a certain extent; and then you have Great Britain with her general watching and guarding of imperial interests with regard to whom all the members, I think, of this conference believe that the defence, protection and cohesion, so far as the Empire is concerned, would be very much strengthened and helped by the construction of the cable which is under discussion. Here are large interests, and these interests, it seems to me, are strong enough to make it necessary that the most careful considerations should be paid to the matter as to whether or not, the advantages that would accrue are sufficient to begin intercommunication over this route, over these different sections, to undertake the construction and the maintenance and working of the cable as it has been proposed. There are two interests with all of us, I think. I do not think that you can separate these three divisions under these two interests. There is the commercial interest. Now, it may be said that Great Britain has small commercial interests in this line of communication with the Australian colonies. I think she has a large commercial interest. She is the head and centre of the commerce of the world, and very much of that commerce of which she is the head originates in those outlying dependencies, and she returns the manufactured products over the whole world. Therefore, if by the construction of these lines the cost of telegraph and cable is lessened to an appreciable extent, as may follow by the construction of this line, Britain's commercial interest in the line is considerable after all. If you take the transactions in number and amount which emanate from London or from Great Britain in the matter of trade, you may find that they will come very largely up to

the sum of those which emanate from the colonies or from Canada, so she has a commercial interest in Australasia. So I do not think we ought to consider this question alluding to Great Britain simply as having imperial or defensive interests in the matter. When you come to Canada you have also these double interests, but in a lesser degree, as Canada occupies such a position with regard to her present communication with the Empire, and as far as imperial interests are concerned touching her, and as far as defences are concerned touching her, she has just as good cable communication to-day and telegraphic communication to-day as she would have if this line were constructed between Canada and Australia. Therefore, her interests in the matter of the imperial consideration is less by far than either that of the mother country or Australasia. When we come to the commercial matter the same may be said. The commercial transactions which have hitherto taken place between us and Australia have been altogether too few and too small. We believe that they can be largely increased. We do not know how far. That depends upon the future development, but taking a fair survey of the situation of the products of Canada and Australasia, there ought to be no reason why, under fair conditions, present trade should only be the beginning of a very large trade between two sections of the empire. So that if she has now a relatively small commercial interest we all believe that that commercial interest will grow, and as that grows, the importance of the cable in that respect will grow as well. When we come to the Australasian colonies we find that double interest, strong. It is true, as has been pointed out, that for commercial operations you have in the Australasian colonies, a communication with the civilized world. You have a communication at a somewhat exorbitant charge. You have one line of communication, whereas under the proposed construction of the cable you will have two, an alternative one with all the benefits that would accrue certainly in cheapening of the cost, by having two lines. These two lines would be competitors to each other, so that the commercial interests of Australasia although not absolutely tied up in this line, are yet very large in the proposed cable. The defence interest or imperial interest is also strong. They are far outlying, and they depend very largely upon the quickness and surety of communication between the head of the Empire as to security, and the defence of the outlying interests is a very deep and a wide interest. I would if I lived in Australasia, I would evince the same earnestness that you have shown here as favourable to that line of communication. What I wish to point out is this: We are here to take account of sentiment, to take account of imperial interests, but we are here as well for the purpose of talking business and of looking at the point from the country's standpoint of selfish interests as well as from others, and whatever is to be done in this country, whatever is to be done in your country or Great Britain, must be approved of by the legislative bodies of these countries and we must have some points and some ground upon which we can base the propositions that we give to our respective governments. When we come to meet the Parliament of Canada with a proposition with reference to this cable, we must show, I think, the position of Canada with regard to it and the interest she has in it when that will come under cool criticism. The object of my speaking so far has been to show that of the three members of the groups which have been talked about in this discussion, probably Canada has less selfish interest than any of the others, her commercial interests being much less and her interest so far as protection and defence is concerned, not being very largely

dependent upon that construction, owing to the good means of communication which she possesses already. But, sir, outside of that, we in Canada have not undertaken what we have, without there growing up within us a very strong imperial feeling. The unity of the Empire, the security of all its parts, the inter-dependence of these parts, are articles which have worked themselves into the creed of every Canadian—and, sir, we would not be worthy of our history, and we would not be living up to our development of the last twenty-five years, if we cut ourselves in the least away from the imperial interests, the interest of security and cohesion, which I think are the great interests of the Empire of which we form a part. So that taking that consideration, it would be most ungenerous of Canada, if she were to measure what she would do in this respect by the mere amount of selfish interest that she has in it, by the mere amount of material good which is probable at first to accrue to her out of the construction of this line. Having said that much, I want to go back to another point, to another subject which is practical. I said that there were difficulties in the way. Here are a set of gentlemen meeting around this table with the representative of the imperial government, who if he makes any representations to the imperial parliament must give them not simply sentiment but hard facts, something to act upon, as Lord Jersey very properly pointed out, and we must take cognizance of things as they are, and things as they are seem to me are something like this: Granted that sentiment is in favour of the cable, do you know the character and quality of the ocean line which you have to traverse? You do not. A certain portion of it is fairly well known. Many parts of the ocean are fairly well known, but every practical man knows that in these matters it is not fair to judge of the quality and character of the ocean bed, from data known of an ocean bed eight or nine hundred miles distant. No man would undertake to engineer the railway, the great road that we built through the Rocky Mountains, without a preliminary survey. Before it was built, millions and millions of dollars were spent upon an experimental survey. No government would have entered into a construction of that kind or felt itself in the position to give assistance in building it unless these millions had been spent before a single rail was laid or the route mapped out. It seems to me that if that is true above ground, it is equally true below the surface of the ocean. As business men, we cannot go to our Governments and ask them to assist us in building this cable line as there has been no exploratory survey and we do not know the character of the bottom. Consequently, we can place no fair estimate of what will cost and that is the first thing. Practically following upon that is this: When you come to ask a Parliament to pledge itself financially you will have to give the whys and the wherefores. Sentiment will not do, and you have to say to Parliament when you move your proposition, that there is a practicable route and you will have to give a fair estimate of what it will cost. You have to say to Parliament what your estimate is of the cost and ask support for the government. That is practically the way in which it has to be done. There is no survey as yet. My view is this and it is the view of my colleagues as well, because we have sympathy with you. We want you men from Australia to believe that we have sympathy with you in your feeling, and that while we are prepared to do more than re-echo that sympathy, still we as practical men say that the first thing we think ought to be done is to have a survey and an estimate. So far as Canada is concerned, she is willing to pay her third share of all the expenses of that survey and of that estimate. Now you may

say that that does not go far enough. I think it does go a good way if the Government of Canada is willing to take this matter into its hands and go to Parliament and say: "We have gone in with our brethren in Australia for a survey of the Pacific Ocean to estimate the cost of building a cable." That is going just as far as is reasonable. Canada is willing to do her share in the procuring of that survey; but she is not going to pledge herself for an unknown amount to be expended over an unknown course, and the first thing we think is necessary is to have a survey of that as soon as we possibly can, not giving the imperial government any rest or surcease until they put two or three vessels out on that route and survey it right up sharp within a year or eighteen months. Canada will pay one-third of the cost and England should pay one-third, and the Australasian Colonies the other third. I think that is a fair proposition, and one which I think our mother country will not consider unfair. That is what we propose to do, and we propose to say to the conference assembled here that just as soon as that survey and estimate are obtained Canada is willing to meet with the governments of Australia and the home government and to do her share towards the completion of this great line of intercommunication by cable. We do that for two reasons, not because we expect to get a present benefit, but because we expect to see the Empire made stronger by that cable communication, and because we hope also to have a constantly increasing flow of commerce and communication between Canada and the Australasian colonies, and as the cable goes and as the commerce grows side by side with it, our people will reap the benefit as your people will reap the benefits and results which will come from the action of us all. Now I hope that in saying this I have made myself thoroughly understood, and the position of Canada thoroughly understood in this matter. I think we must do something practicable, and we are willing to put our hands in our pockets with the imperial government and get at that something practicable in as short a space of time as possible. When this is done, Canada will do her generous share in bringing about the construction of the cable if it be proved to be feasible at all. Now, I must say personally that I think, that the feasibility of doing that will depend upon this. It will depend upon the imperial government helping the Australasian colonies and Canada. I do not think personally that it is possible for Australasia and Canada to shoulder that expense of doing this all by themselves. I do not believe that we should be asked to do it. I think that the imperial government should assist. I think it would be undertaking very heavy responsibility for the two colonies to take upon themselves the burden which I hope would not be put upon us by the home government which has an imperial interest, constantly strengthening, and which is in the line of distinctly selfish interest in one respect in having these lines of communication. Now, with reference to Sir Charles Mills and his proposition, all I can do to-day is to extend to him my sympathy. It would be a most excellent thing to have that afterwards carried out and have a cable from the Australian colonies to Cape Colony. That is a matter which we hope we will see in the not far distant future because these two lines of communication would make the most desirable communications as between the different parts of the Empire.

The **PRESIDENT**.—Of course this is an abstract resolution, and the address of Mr. Foster is more particularly applicable to Mr. Thynne's resolution. I suppose

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there will be very little objection to the resolution now before the chair, which reads as follows:—

That, in the opinion of this conference, immediate steps should be taken to provide telegraphic communications by cable, free from foreign control, between the Dominion of Canada and Australasia.

The resolution was carried.

Hon. Mr. PLAYFORD.—You understand that I do not vote on this occasion. So far as South Australia is concerned our representative has never voted one way or the other when this question has been considered by colonial or at the imperial conference in 1887. We do not object to the cable as long as it is required for public and imperial interests.

CABLE EXTENSION TO THE CAPE.

The PRESIDENT.—Sir Charles Mills has altered his proposed rider to Mr. Suttors's motion, to read as follows:—

That it is for the interest of the Empire that, in case of the construction of a cable between Canada and Australasia, such cable should be extended from Australasia to the Cape of Good Hope; and that for that purpose arrangements should be made between the imperial and South African Governments for a survey of the latter route.

Sir CHARLES MILLS.—I think the motion I propose to add to the resolution is exactly what Mr. Foster has so well expressed as being the desire of the Canadian Government, and also in accordance with the expression of the views of Mr. Playford. I quite hold, as I said this morning, that it is utterly impossible for any government to form an idea, either of the route or the cost of the cable, without a proper survey, and I think I have put the necessity of the survey in such strong terms in that motion that Her Majesty's Government will not delay in carrying it out.

The PRESIDENT.—Of course the conference will understand that in adopting this motion it asks the Imperial Government not only to survey this route between Australia and Canada but between Australia and the Cape, and in that case, should this be adopted the Cape will be prepared to pay its proportion of the survey. That would follow, I suppose, as a matter of course. I make that remark based upon the statement made by Mr. Foster just now, that in the survey which we are asking the Imperial Government to make at once between Australia and Canada, that Australia, Canada and the British Government will each pay one-third.

Sir CHARLES MILLS.—I am not aware that any of the representatives of Australasia have pledged their governments to pay their share of the survey.

The PRESIDENT.—I take it for granted from the motion of Mr. Thynne, that he lays it down as a principle that the cost of the construction and maintenance will be borne in those proportions.

Sir CHARLES MILLS.—That motion did not pass, but falling back on the words of Mr. Foster that the cable between the Australian Government and the Cape would be matter of the future, I do not see why the Cape Government should now bind itself to an expenditure which is so far distant.

Hon. Mr. FOSTER.—I would just like to point out to Sir Charles Mills that this resolution, I am afraid, has a little of the weighting down in it, has it not? Now, what was taken up in 1887 was the question of having cable communication between Australia and Canada. That was what was in the resolution that was passed.

That was what the British Government were urged to survey. This goes further, and it asks the British Government to undertake to survey, not only that, but the wide distance between Australasia and the Cape, and the expense of that survey, I suppose, would be one-third more. I do not know what the distance is exactly.

The PRESIDENT.—About 7,000 miles.

Hon. Mr. SUTTOR.—It is further to the Cape from Australia than the proposed route.

Sir CHARLES MILLS.—I gave that this morning, and showed that the greater part of these seas had been surveyed and are well known.

Hon. Mr. FOSTER.—Do you know the distance unsurveyed between Australasia and the Cape?

Sir CHARLES MILLS.—Following the route from Australia to the Straits Settlement and from there to the Mauritius and from the Mauritius to Natal—I do not think there is any that has not been surveyed.

Hon. Mr. FOSTER.—Then it would not be necessary to call upon the British Government to survey that.

Sir CHARLES MILLS.—If there is any part that has not been surveyed then it will have to be surveyed.

Hon. Mr. FOSTER.—Would Sir Charles Mills have any objection to altering one word. Instead of saying "thence" say "thereafter," that would make the survey as between Canada and Australasia, and thereafter with an extension to South Africa?

Sir CHARLES MILLS.—If that meets the wishes of the conference, I will bow to the opinion of the conference?

Hon. Mr. FOSTER.—That would meet my views.

Lord JERSEY.—Are we to understand, supposing the conference carried Sir Charles Mills' rider, that it would mean the British Government would be expected to make the survey and the cost of that survey would be shared by Australia and by Canada. Nothing has been clearer than the expression of the various delegates that whether it is required by Her Majesty's Government or not—of course I cannot say whether it will be required—they would be prepared to recommend their governments to take a portion of this expense. Then here is another line which is proposed and I should like to know whether the expense of that survey is intended to be borne partly by Australia and Canada or not, or whether the new line would have to be surveyed alone by Her Majesty's Government, or would it be a matter between the Cape and Her Majesty's Government?

Sir CHARLES MILLS.—That would be a matter of arrangement between the different governments. St. Helena comes in and Ascension comes in also.

Lord JERSEY.—Therefore I am to take it that at present you form no opinion whatever, as to how the expenses of that survey should be met. It was only for my own guidance that I asked the question.

Hon. Mr. SUTTOR.—The rider proposed by Sir Charles Mills I do not feel myself in a position to approve of. We have come here with a definite object and that object was to consider as favourably as we could any proposition made for the construction of a cable between Canada and Australasia, and so far as I can I am quite prepared to pledge my government to any proposal at this stage to assist in the necessary survey that would be required, but I do not think that we can possibly at this point agree to a proposition which binds us to another cable altogether.

I mean this proposal to connect Australasia with the Cape of Good Hope. The connection between the Cape and Australia is altogether so different from the position that is now occupying our attention between Canada and Australasia, that I do not think that we can consider at the same time these two propositions. The gentlemen who are representing the other Australasian colonies, I think have all expressed the opinion of their governments, that they are quite prepared to pay their share of making the survey between Australasia and Canada, but if we are going to add the proposal of Sir Charles Mills to the effect that a survey should be carried on between Australasia and the Cape of Good Hope, and he is not in a position at all to pledge his government to a share of the expenses of the survey, I, for one, as representing my government, am not in a position to consider it. If we add such a rider as is proposed by him, we shall pledge ourselves to a proposition on which at present we are very little informed. I do hope, if my motion is concurred in by the other Australasian representatives, that Sir Charles Mills will not press this motion to a division. We have come here first of all with regard to this cable matter, and we were invited to consider the question of establishing cable communication between Canada and Australasia. I think as far as the cables are concerned we ought to restrict ourselves to that proposition, and we should not hamper ourselves with any proposal such as the proposition made by Sir Charles Mills.

Sir CHARLES MILLS.—Considering the manifest wish of the members of the conference, I would ask the permission to be allowed to withdraw my proposal as a rider to Mr. Suttor's motion, and to submit it as a motion hereafter.

Conference permitted the substantive of Sir Charles Mills's motion.

THE CABLE AS A NATIONAL WORK.

Hon. Mr. THYNNE.—Mr. President, I propose to move one resolution at the present moment, as follows:—

That, in the opinion of this conference, it is desirable that the construction and maintenance of the proposed cable from Vancouver to Australasia should be undertaken by the governments of Great Britain, of the Dominion of Canada and of the Australasian colonies, as a joint national and public work.

The general motion of Mr. Suttor having been satisfactorily disposed of, we should consider the process by which we can bring that resolution into operation. The first and foremost of these considerations is the question on what basis do we propose to have this proposed line carried out? There are three separate ways. One is by guarantee, another by subsidy, and the third is to have it constructed as a government work. At this meeting, sir, addressing a body of gentlemen experienced in the systems of government, I will not attempt to go into a discussion of the different reasons affecting these three different proposals. After the discussion we have had it would be sufficient for me to say, that my government very strongly favoured the mode of construction which I have moved in this resolution. We think, sir, there are several reasons why this is desirable. You, in the first or second plan have to deal with a company whose interests may be divergent upon many occasions from the interests of the people who are supporting cable service. We wish, sir, that the governments mostly interested and the people who support a cable of this character, should have in their own hands its working and control, and

to have whatever benefit there is from the construction of the cable. In the history of these enterprises, we find, as a rule, that the construction of new lines of this character are either a very great failure or a very great success. If they are a great failure it is a great misfortune, that the loss caused by an undertaking which is really a great public benefit should fall upon private individuals, and also it is rather unfortunate to find that the public who have supported successful enterprises are liable, very often, to get into the hands of a monopoly. Taking it all round it seems the fairer and better way for carrying out an enterprise like this, that it should be in the hands of the people who are commercially interested in having it constructed. If we come to the conclusion that this work should be done as a joint national public work, there should be some practical method by which the work can be carried out. In this work there are the joint interests of the several colonies, and we have not yet had occasion to find fault with the way in which such an enterprise has been carried on and the way in which individual governments have discharged trusts reposed in them by other governments. One instance familiar to me, is the trust imposed upon the colony of Queensland by the other Australian colonies conjointly with the British Government, in the control of the government of New Guinea. I think I can claim that the government has not been found fault with, and we are prepared to place our trust in any government which may be selected for this arduous duty in relation to the cable. There is one reason that affects me quite as much if not more strongly than any of the reasons I have offered. I am very anxious to see the day when almost all the British self-governing communities, including the Imperial Government, will be associated together in one great enterprise, which will, I believe, have a more educating effect upon the peoples of all these countries than all the speeches and letters that could be made or written and that great enterprise would be an object lesson on the combined control and work, the combined construction and maintenance and conduct of a big undertaking such as the construction of an important cable line like this must be. That is perhaps not strictly business. It has perhaps a little sentiment in it, but I think sir, it is a pretty strong sentiment and one that would be more effective amongst all our people than any other thing that this conference could bring about by their deliberations. I am not afraid sir, of the difficulties which we individually in our different colonies at times experience in connection with the control by the governing powers of large undertakings. We have had a good deal of experience in Australia in railway construction, and we have always had a good deal of experience of the disadvantages of carrying out works of this kind by the government, and I think I am not wrong in saying that the greatest disadvantage that did arise from the construction and management of railways by the government was the introduction of too much political influence controlling the management of the business. But, sir, I think that while that danger exists and is likely to exist naturally within the borders of one self-governing community, when a large number of the different self-governing communities bind together, objection which is so frequently taken in Australia will not be found applicable to this enterprise. I hope I have not overstated the case in saying that I think we would be entirely exempt from such a danger under the proposal which I have the honor to submit to this conference.

Hon. Mr. SUTTOR.—I find myself in this position, that in accordance with my personal feeling and also in accordance with the directions of my government, I am

not in a position to support the motion of Mr. Thynne. Hitherto we have noticed that all such works have been constructed by private individuals, and I think it is an innovation to propose at this stage that the work should be undertaken by the different governments concerned, and, therefore, whilst the government I represent may be prepared to consider favourably the proposal to subsidize any company when they carry out the work, still their wishes are that no responsibility should be entered into by me, and that the government should not go beyond that guarantee of the deficiency or some added interest to be determined between the parties undertaking this work. That being so, it becomes my duty, if this resolution comes to a vote at all, to resist the proposal of Mr. Thynne. Although Mr. Thynne has expressed the desire and hope that this undertaking shall be assisted by the government in the most friendly spirit, still I think we might fairly ask the representatives of Queensland the steps they would take regarding the existing cable company. The Australian Governments have paid large sums of money towards that company. Queensland has made herself conspicuous by standing out, and they received great advantages and have never contributed towards the deficiency arising between the receipts and expenditure. We are not asking too much by inquiring from the representatives of the Queensland Government what they will do with regard to the other subsidizing colonies in continuing to assist the present cable communication if his proposal be adopted. I do not think that this is asking too much. I am not in a position now to support the resolution of Mr. Thynne, upon the ground that my government does not feel itself justified in becoming a party to the construction or laying down of the cable. They are quite willing with the other colonies to bring about the most cordial relations between New South Wales and Canada. That has been proved by the cordial way in which we met the proposal coming from Canada to subsidize the mail service which is now in existence. My colony is the only Australasian Colony which has practically assisted Canada to establish a monthly mail communication between Australia and Canada.

Hon. Mr. PLAYFORD.—If they will allow the steamers to go to Victoria they will subsidize it too, won't they?

Hon. Mr. SUTTON.—I am only mentioning the position as it is. I say that my government is desirous of assisting in bringing about what is considered very desirable means of communication, but we think the laying of this cable should be undertaken by some private company and not by the different governments joining in the manner proposed by Mr. Thynne. We all know the enormous expense of any work in which governments are primarily concerned. Therefore, I think that we should very seriously consider this proposal before we diverge from the lines so well laid down, and let the work be done at the hands of private individuals and the different governments give some guarantee. I am prepared to go as far as that and no further. But notwithstanding what Mr. Thynne has said, all the Australian colonies have, within a few years, taken their railways entirely beyond political control. We have removed them from political control, and it must be admitted that grave abuses arose under the system which formerly existed, and necessitated such an alteration in the management of the railways. I feel that the proper course for the governments to adopt in such a matter as this is to mutually agree amongst themselves as to the proportions of guarantees they will allow for the construction of the line at the hands of private individuals, and I think I am right in saying that it has been done in the case of every cable laid below the waters of the ocean.

SIR ADOLPHE CARON.—In reference to the motion of Mr. Thynne, it seems to me, if I judge correctly, this motion is somewhat anticipating events. A couple of days ago it was resolved that in the opinion of this conference immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia. I think to-day we have pretty well decided, at least it appeared to be the consensus of opinion, that before any definite steps were taken in so far as construction is concerned, that we should have a thorough survey that would place the contracting parties in the position of knowing exactly what work would be undertaken. It strikes me before we bind ourselves to any specific plan, that having resolved that we should have communication by cable, we should not go into detail as to how the work should be carried out until we first ascertained by a thorough survey what the work is likely to be. Then it will be necessary after the survey is completed to meet and lay down the basis how that can be done as a national work. I would sooner for the present not express an opinion as to the mode. I think it is anticipating events in deciding now whether the work should be carried on in one way or another. The first step is the survey, and once that survey is completed, then it will be ample time for those who undertake the building of that cable to meet and decide as to the way in which it shall be carried out. I am not expressing an opinion as to the way in which this work should be carried out, whether by joint action of the several governments or by joint enterprise. I think it will be ample time when the survey is completed to decide on that point.

MR. LEE SMITH.—I consider that nothing could be more indefinite than this proposal from Queensland. To my mind, sir, none of the governments of Australasia will agree to any such proposition of undertaking this work as a government enterprise without first having exhausted every efforts towards finding out whether they could not get this cable built by a company under some form of guarantee or subsidy. I am satisfied, my government would not incur any expense as to the survey. It is a question for the British Government or a private company. I feel perfectly certain that the British Government will never take part in carrying out this work for the colonies. I am as sure as I am here that the British Government will never in our time, go into a partnership with the colonies, in opposition to a private company. I shall oppose this motion. I cannot agree to it.

HON. MR. PLAYFORD.—Personally, as I have informed the conference before, I am in favour of this work being done by the governments in preference to its being done by a company. I am quite confident in my mind we will have it done cheaper. You will have messages carried over the line at a less rate. The governments themselves do not require to make any profit out of it. They will only desire to make sufficient to keep the line in proper working order, pay the working expenses and interest in connection with it, and if at any time by an increase of business the receipts should exceed the expenditure, they will be always prepared to make a reduction in the charges so as to let the public get the advantage. It is precisely the reverse with the company. We start with a subsidy for a time, and the time comes around when that subsidy ceases. What have they got then? An absolute monopoly over which you have not the slightest control. They can charge what they like so long as they do not charge so much as to induce a third party to come in and make a cable to oppose them. I cannot understand how my friend Mr. Suttor, whom I look upon as a highly intelligent gentleman, cannot see it in any other light than that the govern-

ments should undertake this work. The argument against it is this, an old fashioned argument: That because it has not been done by our forefathers, we are not to do it at all, that we must not go out of the old rut, that we have been running in for all these years. We have gone out of the old rut, that has been worn so deep in England with good results. Nearly all the colonies began by taking hold of the telegraph and telephone from the very first and the whole of the post office management, and taking over practically the whole of our railways, and that has been of invaluable benefit to our people. Take the case of Melbourne, they let private companies start the telephone there. What was the result—they had to buy them out, and they paid dearly for it. So eventually we will pay for these cables. I contend that the people are not sorry that they have got the railway. In South Australia we have managed our railways so that for five or six years they have paid their way and more. When they are once under careful management they can be carried on so as to produce the most beneficial results. I should deeply deplore, in the interests of the colonies, if the day should come when we should hand over the management of the railway to a company; and I should greatly regret, if we should hand over this cable to a company, because in doing so, unmistakably there is only one result to follow and that will be monopoly. Although we are not in a position to say until the surveys are made whether the thing is going to be built at all, I do think it would be a wise thing for this conference to express its opinion that it should be built by the government in preference to a company. What will be the result? You call for offers to construct the line, what offers would you get? They must have so many thousand pounds guaranteed for so many years, and that will depend on the amount they charge for messages. If we allow a charge of 4s. a word, we will do it for a little less than if the charge is fixed at 3s., but at the end of the time, the company have a big monopoly and they can then charge what they like and make a fine thing out of it forever. In our colony we have had some experience in this direction. A company constructed a railway in our colony from Adelaide to Glenalg, 7 miles. It paid handsomely, but because they were making a little money out of it; another company made another line to the same spot, and the result was, a war of rates. The result was that the two companies found that they were cutting each other's throats, and they could not stand this much longer, so they put their heads together and amalgamated, and up go the prices, and we had to pay a higher price for going over the road than we ever did. You will have the same thing with the telegraph if you hand that cable over to a company. They will run along for a time at minimum rates, so long as the subsidies last; afterwards they will combine and put up the rates. It will be one of the saddest things if this line is not made by the government and kept under government control. There is not the slightest difficulty in the government working the cable in the joint interests of the colonies. It can be managed just as economically by the government as it could be by a private company. What do these companies organize for but to make money. They will issue a prospectus, form a company, and arrange for this work, and a percentage has got to be put down to pay the original men who started it. They get a certain number of shares free, and then their stock is watered. Who pays in the long run, but the people? Do you think you are getting it done cheaper in that way? You are getting it done in the dearest way. If this cable should be built by the governments, let the governments have full control of it, not simply for our own generation but for future generations.

Hon. Mr. SUTTON.—Will Mr. Playford answer this question: He declined to vote upon a resolution I submitted myself that it is expedient to construct this cable, but he is now advocating the proposal to construct it by the governments. Is he speaking for himself or for his government? Is his government prepared to assist the other governments in the construction of this line?

Mr. PLAYFORD.—I told the conference that if this line was required for public and imperial purposes, our government will never in any way stand in the way. I am giving not only my own opinion but the opinion of my own government, and I believe of the majority of the people of South Australia. If the work is done at all it should be done as a government work.

Hon. Mr. SUTTON.—Will they assist?

Hon. Mr. PLAYFORD.—They will as far as they ought.

Hon. Mr. SUTTON.—Will they join in the construction of the work under Mr. Thynne's proposal?

Hon. Mr. PLAYFORD.—Yes, we will if due consideration is given to us with reference to the previous work carried out. We have built a certain amount of line which you should take into consideration, and we are quite willing if this cable across the Pacific is to be laid, to pay our share with the other colonies, fair allowance being made to us for what we have done.

Hon. Mr. FRASER.—I agree with a great deal, of what has been said by Mr. Playford on the advantage of government control in a matter of this kind. While I agree in every way, I think it would be better for Mr. Thynne not to press his motion just now. It is not the time to press the motion. As far as I know we will willingly pass the second resolution. If the first is not dealt with just now, I do not think it will do any harm at all. I left Victoria with the belief that it would be far better that a company should undertake it, but after thinking the matter over thoroughly, and discussing the matter here, I have altered my view. If a contractor makes 8 or 9 or 10 per cent out of it, he is entitled to it. I quite agree with what Mr. Playford has said, that it would be better to have this line constructed by the government, and when this comes to be carried out, it will probably be carried out under a commission, under which the governments would work. I do not think I am quite at liberty to express a definite opinion on this motion.

Hon. Mr. FOSTER.—I am inclined to think that we must be cautious in proceeding in the matter. Let us see just where we stand? We have already as a conference, decided that immediate steps should be taken looking to the construction of this cable. A good many of us, probably it is the feeling of the majority of this conference, believe that before we can go very much further, we ought to have a fair knowledge of what we are to meet. That is, that we ought to have a survey, and we want the British Government to undertake it and we, as colonies, pay our full share of the cost of the survey. Now has the time come when we either have the knowledge, so that we ought to lay down a hard and fast line upon which a cable shall be constructed? I think we are proceeding, may be in doing that, a little too rapidly. Are we far enough advanced to say, the proportion of costs that shall be assumed by the three component parts? We want to get the British Government to make the survey, and we ask them respectfully to help us in the cost of that. Are we not going a little too far when, before we have got even the survey, we lay down hard and fast lines upon which we can meet together to carry out this work? We do

not know what may happen to reverse the idea of the different governments between this time and the time to come when we may undertake the construction of the work. It may be found to be impossible, for the information is not certain. I think the desirable thing for us as a conference, is to get the route thoroughly surveyed and find out what will be the cost that we shall have to meet. Is not then the time for us to consult together as to what means are best and wise for carrying that proposition out? I am inclined to think objections will be urged by the Imperial Government in becoming a partner in the working of the cable. There are a dozen different contingencies that may come up. Why should we bring up matters like this and proceed to a conclusion when we have divergent ideas upon a motion to be passed, a year or two before we can get down to the actual construction. My view would be that we should not proceed further with this motion, but that we should, and if we are agreed, have the survey made first, then we can consider and find out the wisest and best means to be adopted in order to carry it out. That would be my view. It is certainly hasty that we should lay down the principles now of what we should do. I am not prepared to say that the Canadian Government is ready to go into it as a government work or on a guaranteed interest on the capital or by way of subsidy. My own views have been changing some. I came to this conference with the idea that it would be better for the government to give a guaranteed interest on so much, and let private enterprise carry it out. My views have been somewhat modified in that respect, and I am still open to a conviction. I could not say at this moment what I think is best, but I am willing to say that my views are, that it should if reasonably possible be pushed rapidly towards conclusion; but under the circumstances, I cannot say whether it would be better to carry it on as a government work. As to that I am not sure.

Sir HENRY WRIXON.—I would suggest to Mr. Thynne as he has clearly given his views before the conference, perhaps he will not find it necessary to press the matter further. There is undoubtedly a great difference of opinion as to whether the government should undertake it or not, and an exceedingly knotty subject presents itself at this point. A number of us in Australia, have different views, and differ from the views of Mr. Playford. Just imagine for a moment what the condition of affairs in the United States would be if the government owned all the railways. It is a difficult question; there may be reasons in the case of a cable in the departure from that general view. It is a problem to solve, but it is unnecessary to solve it now, because it will be time enough to grapple with the actual difficulties when we come to them, and I hope Mr. Thynne will not find it necessary to press this matter to a vote.

Hon. Mr. FORREST.—Mr. Thynne knows what my views are with regard to government construction of works. My personal feeling is this: I object to government interference in such matters in any shape or form, as far as it can be avoided; but this is an exceptional case, and in this particular case it is not a question of one government, there are a number of governments; they will form a sort of joint stock company and keep each other in order. I got up, however, to express my great regret at the discordant note that we heard from Mr. Suttor, and I regret it more because he is one of my greatest friends here to-day. Mr. Suttor says I am quite sure my government will not agree to make this cable any other way than by a private company.

Hon. Mr. SUTTOR.—I am so instructed, so the sooner I say it perhaps, the better.

Hon. Mr. FORREST.—I do not see much good in going on if each government refuses to proceed unless it gets everything its own way.

Hon. Mr. FOSTER.—Then you have to pass no resolution?

Hon. Mr. FORREST.—I see a good deal of force in what has fallen from Mr. Foster. I trust that in all matters of this sort the opinion of the majority will govern, and that whatever the majority agrees to will be carried out by everybody.

Mr. LEE SMITH.—My idea is that my government would exhaust every means before they would agree to it; but if the majority think this course should be pursued I shall at once cable and ask for instructions. I only say we should prefer the other way of carrying it out if possible.

Hon. Mr. FORREST.—With regard to Mr. Lee Smith, he was more moderate, he said his colony would not agree until a last resort.

Mr. LEE SMITH.—My government would go in for it if there was no other way of doing it, I am quite sure of that.

Hon. Mr. THYNNE.—The discussion on this subject has not been without some useful purpose. It is well for us to perceive at once that while we can pass general resolutions in favour of any particular object, that the moment we go to carry those resolutions into force we are met with difficulties, and a large number of us are not quite prepared to deal with them, or express a decided opinion. I think, in that respect alone, this resolution has done good work. This motion is the first attempt to take a definite practical step towards carrying out this cable. I may say, I do not look upon the request to the Imperial Government to make the survey as anything in the shape of a practical result from this conference, because that is a request that could be easily made without the necessity of a conference, it is one that has been already made, and the necessity of a survey is one of the things we must have anticipated would have taken place. If we express our desire to have a cable, it follows that we must have a survey, but the mere request to have a survey made for a cable line, I submit to this conference, is not an adequate result of our deliberations. I do not wish to press a motion, even if I was sure of having a majority. I should be unwilling to press a motion after the strong expressions that have been made, but I think it shows that we should be prepared to face these questions that are awkward, and deal with them as soon as we possibly can.

Mr. LEE SMITH.—And so we will.

Hon. Mr. THYNNE.—But as my honourable friend Mr. Forrest submits, we must be prepared to make concessions, even to the abandonment of our most cherished hopes. After the expression of opinion I beg, with the permission of the conference, to withdraw the motion.

Hon. Mr. FOSTER.—I beg leave to move:—

That the Imperial Government be respectfully requested to undertake at the earliest possible moment, and to prosecute with all possible speed, a thorough survey of the proposed cable route between Canada and Australia; the expense to be borne in equal proportion by Great Britain, Canada and the Australasian Colonies.

The PRESIDENT.—Is it understood that both Mr. Thynne's resolutions are withdrawn? The first one only was before the conference.

Hon. Mr. THYNNE.—After hearing the motion which Mr. Foster proposes, and in view of the expressions of opinion by the conference, I think I should be quite prepared to withdraw my second motion.

Hon. Mr. FORREST (To Mr. Foster).—Would not you say to Vancouver, in your motion?

Hon. Mr. FOSTER.—I thought we had better say Canada, because it might not go from Vancouver. There is an Island, and a City of Vancouver, and it might not go from either of those. That would leave it open to take the most available place.

Mr. LEE SMITH.—I object to that. I have no power to commit my government to such an expenditure as involved in that motion, that is, the partial cost of the survey. I will have to get instructions. Further, it is diametrically opposed to my own opinion, and also opposed to the motion I have put on the paper. If I agree to that, it simply means that I agree with the suggestion which has been made that this should be a government enterprise, and I do not agree to that in any way; therefore, I should not vote for the motion, but I should oppose it.

Sir HENRY WRIXON.—A survey is different from carrying out the work.

Mr. LEE SMITH.—It means this, that when you bring out your plans and specifications you have to abide by them. You put them before contractors, they will bring you to book, they will make their estimates based upon those surveys, and if there is anything wrong you will have all the loss that may be involved through any mistakes. That is a very serious commitment. It is one of the things I would not go into without having instructions from my government.

Hon. Mr. THYNNE.—Only a matter of about £30,000 amongst the whole of us.

Mr. LEE SMITH.—The way the British Government will do it will cost £50,000.

Hon. Mr. FRASER.—It is utterly impossible to do anything before the survey is made, and the survey cannot be made by contract. The survey must be made by the British Government; there is no other course. What a farce it would be to call for tenders for a survey.

Mr. LEE SMITH.—I do not say that. My motion says that offers be solicited for the completion of the cable according to the various routes proposed by this conference. You would find it surveyed. You would find offers to make the different routes within three months.

Hon. Mr. FRASER.—I only wish to say that we heartily endorse the motion, and that before anything can be done towards the construction or laying of the cable a survey has to be made. What has stood in our way for years past? What has stood in our way here except that there was no data to go upon? It is imperatively necessary that the survey should be made before the expiry of the five years that we are bound to the Eastern Extension.

Mr. LEE SMITH.—Offers have already been sent in.

Hon. Mr. FITZGERALD.—I would ask my friend Mr. Lee Smith if his government is really in earnest in their desire for this cable communication. If so, it is impossible that they can object to the terms of the resolution. The imperial representative, Lord Jersey, has been kind enough to say that it is not improbable that the British Government, notwithstanding we make this offer, will say: Oh well, we will make this survey ourselves. Therefore, it is on the cards, that New Zealand may not be called upon to pay a sixpence.

Mr. LEE SMITH.—I did not understand Lord Jersey to say so.

Lord JERSEY.—I did not say I was authorized to say it. I said they had survey vessels.

HON. MR. FITZGERALD.—I did not mean to bind Lord Jersey in any way, not having any direct authority. None of us think it is an improbable thing that the English Government may say, we will carry out this survey. Is this resolution any more than a practical confirmation of this, that, firstly, we desire that this survey should be carried out at the earliest possible moment, and is it not an intimation to the Imperial Government, now, you have no excuse, because the colonies and Canada, in a tri-partite arrangement, will contribute to the cost, therefore, go on with it. It will be a contract entered into between the three contracting parties, which will ensure the work being done in a speedy, practical, and efficient manner. If it is to be done as a government work alone we are not so sure that delays would not interpose. It will be done at the request of each of the three contracting parties. In that case we have reason to believe it will be done without delay. But, I apprehend, if any one of the colonies of Australia objected to this it would be very difficult indeed to satisfy the other colonies that the objecting colony was really in earnest on the subject, and it is with that view I would ask Mr. Smith not to interpose a discordant note. None of us are binding our colonies. We are all, I think, alive to the fact that we speak more or less with a knowledge of the surrounding circumstances at home, and we believe sincerely and thoroughly that the recommendations which we make on this subject to our governments will be not only agreeable to them, but will be readily adopted by the Parliament.

MR. LEE SMITH.—Mr. President, after the appeal that has been made to me, and considering the fact that all the colonies agree to bear their proportion, and that that fact may have a great moral influence over the British Government, I think I will withdraw my objection. I shall be very glad to commit, so far as I can, my government to a proportion of the cost. At the same time, I would ask you to bear in mind that it is quite opposed to the motion which I have on the order paper. It would appear to be quite diametrically opposed to the method I have suggested as to the construction of the cable. If you go into the open market offers would be sent in within a very short time. I know there are two or three offers, already extant, to lay this cable, by different routes, and at much less than Mr. Sandford Fleming's own calculations. That shows that these people know all about that portion of the ocean. On the west coast of Africa they did not go to the enormous expense of a survey; they made an allowance for risks, and it has been proved, in the past, it has paid them to do so. The people know all about the Pacific. Before I left New Zealand I had an offer to make the cable. Within three months to my knowledge, you would have four offers.

THE PRESIDENT.—This motion will be an indication to the home government, not only of the earnestness of the colonies to have this work prosecuted, but will show that they are prepared to put their hands in their pockets and pay a proportion of the expense, which I believe was not done at the conference of 1887. For some reason or other, there appears to have been influences at work, whether with the Admiralty or with the Colonial Office, wherever it may be, because this work was progressing, and was stopped. One reason given, incidentally, by Lord Jersey was, that they were not aware what route was to be taken, and therefore that it was not thought judicious or proper to go on expending money without knowing exactly where they were to go. If this resolution passes, as I have no doubt it will, from the opinions which have been expressed, it will be an evidence of the earnestness of the colonies. If I may be permitted to express an opinion on the

motion moved by the Hon. Mr. Thynne, since it is a question I have studied somewhat, as a layman, and while I have been nearly all my life opposed to governments undertaking enterprises of any kind, such as the construction of railways, or working them themselves, or keeping them under their own jurisdiction and management, I have come to the conclusion that this is, as I first said, an exceptional work. I discussed this matter for some time with the Premier of New South Wales, and he, I know, took the same view Mr. Suttor did with reference to it as a government work. After considering it somewhat seriously, and for the reasons advanced so forcibly by Mr. Playford, any one who gives it attention and study will come to the conclusion that in a work of this magnitude, involving the interests of so many portions of the Empire, really the best way would be to have it undertaken by the governments themselves. I must confess I am not expressing the opinion of the Canadian Cabinet just now, but that would be the course I should pursue if I were discussing the question with any of the members of it. It is after a good deal of consideration, and a great deal of thought, I give this expression of opinion. I thought that my individual opinion, as you have all expressed yours, should be put upon record.

The motion was then put and carried.

Hon. Mr. FOSTER.—I wish to make a suggestion to meet what was stated by Lord Jersey. When we go to the British Government with our plea now will there not still be that indefiniteness? They will say, "There is the whole floor of the Pacific, where do you want us to steer our ships?" Is it not possible for gentlemen who have paid a great deal of attention to the matter, and who are at the conference, to indicate somewhere near the route that is thought preferable? My own view is, as a layman, I give it for what it is worth, and it is this:—I am looking for commercial interests in this cable, as well as others, and I think it ought to touch at Honolulu. If we can, by any possibility, lay out a sort of area, somewhat circumscribed, that will prevent them travelling over the whole ocean from the Arctic to the Antarctic circle, we should do so. That is for gentlemen who have studied this cable matter more than I have, and who might indicate somewhere near the route to be surveyed.

CABLE EXTENSION TO THE CAPE.

It was moved by Sir Charles Mills:

"That it is for the interest of the Empire that, in case of the construction of a cable between Canada and Australasia, such cable should be extended from Australasia to the Cape of Good Hope; and that for that purpose arrangements should be made between the Imperial and South African Governments for a survey of the latter route."

Sir HENRY DE VILLIERS.—I have much pleasure in seconding this resolution, and am glad that my colleague had adopted my suggestion to withdraw the motion first proposed by him, for it is certainly advisable to keep the route from Australia to the Cape separate from the route between Canada and Australia. We are to some extent ripe for decision in regard to the route from Canada to Australia, but we are not ripe for a decision in regard to the other route. I think we are all agreed that it will be in the interests of the Empire that this cable should be constructed, because the present cable does not pass entirely through British soil, at many points it touches foreign territory, and in case of war it is quite possible that this cable might not be available for imperial purposes.

I think, therefore, that in case the cable is constructed from Canada to Australia, it would be for the interest of the Empire that that cable should be extended on to the Cape of Good Hope. It would be valuable, not only for defensive purposes, but also as a means of reducing the enormous rates which are at present charged by the Eastern Extension Company. Originally it was 10 shillings, it has been reduced to eight and sixpence, but I think everybody will agree that this is an extravagant charge. I have no doubt whatever that in case this is carried out, and this cable is laid to Australia it will ultimately end in the cable being extended to the Cape of Good Hope. This motion commits no Australian, Canadian, or even the Imperial Government to anything at present, but it will be a matter for further communication between the Imperial Government and the South African Government as to the expenditure for the survey of that route.

The motion was submitted to the conference and carried.

The PRESIDENT.—Speaking of confidential communications, I find this in the report of the Colonial Conference, under date of April 7th, 1887: "The discussion "at the meeting of this day was of an entirely confidential character."

Hon. Mr. FOSTER.—But there is a record of it, though it is not printed. That is what I contend for, that we must keep a record somewhere.

Sir HENRY WRIXON.—I do not think the conference will have any objection to the motion which I wish to make. It has been hitherto found to be the case, and I think it will occur again, that after this conference closes there will be nobody to carry on the continuity of the business. The whole thing is apt to lapse and disappear until the next conference, unless some one takes it in hand to carry on the technical, practical business. I think we should pass a short resolution designating some one to act in questions of practical detail with regard to what we have done, to communicate with the different governments, the governments of the Australian colonies, and if necessary the Cape and the Canadian Government, to form a sort of link of communication between them with regard to the after matters which will necessarily arise from what we have done. If we are to have any one it should be Mr. Sandford Fleming who has shown a life long devotion to this subject, and who is so intimate with it. I thought of moving this, by consent; "That Mr. Sandford Fleming be requested to attend to questions of practical detail arising from the proposed cable between Canada and Australia, and to communicate with the various governments concerned." It is merely ministerial, so that there may be some person who will interchange communications and keep the thing from expiring before the next conference.

Hon. Mr. FOSTER.—How far do you mean that to go? Do you mean that the views which we have expressed by resolution shall be presented to the Imperial Government and to the other governments by Mr. Fleming?

Sir HENRY WRIXON.—Oh no, but as to what arises hereafter. There may be letters. Who will get them? There will be letters in reference to what is proposed, letters in reference to the surveys, and there will be practical questions arise which somebody must attend to, or else there will be a perfect blank.

Hon. Mr. PLAYFORD.—That person ought to be a member of a government.

Hon. Mr. FOSTER.—Do you mean as to consultation? I suppose some short method will have to be adopted by which the views of the conference will be brought at once to the notice of the parties interested, for instance, the British

Government for one. Then, if certain points arise as to details as regards the cable, Mr. Fleming could attend to those. I wish to see the prosecution of the work. For instance, we have passed a resolution. That will lie as dead as a door nail, unless somebody takes it up. Somebody must look after that. Who shall that somebody be? It is an entirely diplomatic piece of business, and that must be in the hands of the government.

Hon. Mr. THYNNE.—Yes.

Sir HENRY WRIXON.—Of course any matter of detail would be confided to Mr. Fleming, but there is a good deal of ministerial work to be done, if we are to keep the matter alive.

Lord JERSEY.—Could it not be done by asking questions of the different governments in their respective Parliaments?

Sir HENRY WRIXON.—Perhaps the Chairman will accept that responsibility.

The PRESIDENT.—I will accept that responsibility as long as I remain a member of the government. In all matters affecting this cable, I shall avail myself of the practical knowledge of Mr. Fleming in connection with it, and I should carry out, practically, what my friend wants done, and that is, that Mr. Fleming, who has given, as he says, a life-long study to this question will have all the practical details of the work. If correspondence came from England to our government, from the fact that I have the honour to be president of this conference, I should at once consult Mr. Fleming, and say such and such a thing was wanted, please do it. That is what I think you intend.

Sir HENRY WRIXON.—Certainly.

Mr. FLEMING.—I need not say I am pleased to be of any assistance either way. My only purpose is to see the views of the conference carried out.

Hon. Mr. FRASER.—Some such motion is necessary to keep life in the matter.

Hon. Mr. SUTTOR.—Oh, no.

The PRESIDENT.—If you leave the matter with me it will not die, if there is any possibility of keeping it alive.

Sir HENRY WRIXON.—Then I will withdraw my motion. I am sure we will leave it in good hands, but our previous conferences have come to so little.

Mr. FOSTER.—I think it is a point that must be clearly understood before we adjourn. For instance, here is a very important matter with regard to the motion you have made. We ought to have the Act passed by the British Parliament before that Parliament rises this year, or otherwise we will be kept over a whole year before we know whether we will be able to make any arrangements between ourselves. That resolution ought to be put immediately before Lord Rosebery, or before his government, with a request that they consider it, and if they are going to act upon it, that they pass the legislation which is necessary this session, in reference to giving Australia the power to make arrangements with the others.

Sir HENRY WRIXON.—In 1887 all the colonies concluded that there should be a survey made, and once the conference dissolved there was nothing done.

Hon. Mr. PLAYFORD.—The conference never even said who should make the survey.

Sir HENRY WRIXON.—They made the request to the Admiralty.

Hon. Mr. FORREST.—Oh, no.

Hon. Mr. PLAYFORD.—It was only a sort of understood thing.

THE CALLING FOR CABLE TENDERS.

The PRESIDENT.—Gentlemen, if this matter is understood, we will pass on to the next, which is the motion of Mr. Lee Smith.

Mr. LEE SMITH.—If you will allow me to remind you, sir, I have given notice of four motions this morning, and there have been a number of other motions sandwiched in between them. I thought probably the usual course was to let the motions come on according to priority of notice. However, sir, in moving the resolution which I have submitted, which is as follows:—

(1.) "That, in the opinion of this conference, the most speedy and effective manner in which direct cable communication between Canada and Australasia could be established, would be by inviting offers to carry out the work under conditions to be hereafter decided upon."

(2.) "That with a view to this end the Canadian Government be requested to solicit offers of plans, specifications and terms for alternative lines as indicated by the several proposals submitted to this conference."

(3.) "That any tenders received be submitted for the consideration of the several colonies interested, and that any expenses incurred be paid by the said colonies jointly, according to their population."

(4.) "That in the event of the proposals not being satisfactory, the several governments take steps to carry out the undertaking as a national work."

I may say at once, that after the motions which have been recently moved and carried with regard to the advisability of obtaining a survey at the joint cost of Her Majesty's Government, and the Australian Colonies, and Canada, I have not the least idea I shall carry my motion; but, so convinced am I that the motions you have carried will result in nothing but delay, similar to that which has taken place since 1887, that I feel justified in putting this resolution before the meeting for the purpose of putting on record the objection which I have taken to that method of procedure. However, to be in harmony with other gentlemen, and with other colonies, I have agreed to that proposition, although I do not think it will result in any practical work being done in the direction we all wish. I will not take up the time of the conference longer, I have already enlarged very considerably upon the question. The survey will be put off, and put off, and I am perfectly certain that in three years we shall be no further advanced than at the present day. I will do no more, sir, than put before the meeting these propositions, and ask the opinion of the conference upon them, so that I shall have, as I said before, my objections upon record. Two things may occur. First of all, it may be that if these proposals are rejected it may spur on the British Government to do something. They may say one colony brought before the conference the advisability of doing this by contract, we will not allow that, we will do it ourselves. On the other hand, if the British Government do not consider this favourably, and do not do anything, as I do not think they will, then you have this position to fall back upon. However, it will be on record that one colony has indicated the method in which we ought to do this work. I will move the four en bloc.

Hon. Mr. FITZGERALD.—I hope the mover of these resolutions will stand alone.

Mr. LEE SMITH.—I merely do it in order to put on record my objection.

Hon. Mr. PLAYFORD.—I will second it for the sake of having it before the conference.

Hon. Mr. FITZGERALD.—Though the reasons given by Mr. Lee Smith may be satisfactory to himself, I think they are by no means complimentary to the Imperial Government, nor do I think the circumstances warrant our at all even insinuating the want of confidence which these resolutions impute.

Mr. LEE SMITH.—I did not refer to tenders; I referred to the work.

Hon. Mr. FITZGERALD.—But we have not agreed to do anything more than make a survey at present.

Hon. F. B. SUTTON.—I would suggest to my friend Mr. Lee Smith to withdraw his motion, rather than allow it to be negatived. We have not negatived anything yet.

Hon. Mr. FOSTER.—You will get your protest in all the same.

Sir HENRY WRIXON.—He has suggested that the work should be done by private enterprise, as far as possible. Generally, I agree with that, though I doubt if you will get it to work. The contrary view has been put forward here, and withdrawn, on the ground that it was not desirable for us to enter into that question either way. The motion was made, and withdrawn by Mr. Thynne, on the ground that we ought not to deal with it either way. Therefore, I think, Mr. Lee Smith may, for the same reasons, withdraw his motion.

Mr. LEE SMITH.—I am in a rather peculiar position. There have been surprise motions disposed of before mine, and honourable gentlemen have committed themselves, therefore they cannot discuss the matter from my point of view. I have already given way once, therefore I think I must stand by the motions which I have made. I should like to have these motions recorded, even though I stand alone. It is no insult to the British Government to say there has been delay. Seven years ago we were told that the work would be proceeded with. What has been done? Would it not be a monstrous thing to come this whole distance, at great inconvenience and expense, with the object of advancing the interests of our colonies, and go away, and have no prospect that any result will follow what we have done?

Mr. FLEMING.—I think if this passes it will lead to very important results. I think it would show that we would not receive from any company satisfactory tenders, and, therefore, leave the project of the Pacific cable to be carried out as a national work. I think that is the important result we would reach, and that we would save time by it, because if there be a future conference, two or three years hence, after surveys have been made, they will probably decide to call for tenders. I am perfectly satisfied, in my own mind, that the work is practicable whichever route is taken.

The motion was put to the conference, and declared lost.

DEFINING THE WORD "AUSTRALASIAN."

The PRESIDENT.—Mr. Smith gives notice of the following motion:—

That if the words "Australasian Colonies" be used in any motions or amendments that may be brought before this conference they shall mean the colonies of Australasia and the colony of New Zealand.

Mr. LEE SMITH.—It is not necessary for me to go further into the question; it is merely for the purpose of distinguishing New Zealand from Australia or the Australian Colonies.

Hon. Mr. FITZGERALD.—What about the object of the last words in it; the others are not objectionable?

Mr. LEE SMITH.—Those were suggested by Mr. Suttor, in order to not commit any one to any particular route.

Hon. Mr. SUTTOR.—I rather argued that if we inserted the words "New Zealand" we might be considered as binding ourselves to go via New Zealand, in the event of the cable being constructed. That is the suggestion I made.

The motion was carried.

Hon. Mr. FORREST.—I believe that what we have now done has got us back to the very position to which Mr. Suttor and the rest of us objected.

The Conference adjourned at 6 p.m.

DOUGLAS STEWART,

J. LAMBERT PAYNE,

Joint Secretaries of the Conference.

Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE.

OTTAWA, 5TH JULY, 1894.

The conference resumed at 10 a.m.

The following representatives were present :—

The Imperial Government—{ THE RIGHT HON. THE EARL OF JERSEY, P.C.,
G.C.M.G.

Canada—HON. MACKENZIE BOWELL, P.C.

HON. SIR ADOLPHE CARON, P.C., K.C.M.G.

SANDFORD FLEMING, Esq., C.M.G.

Tasmania—HON. NICHOLAS FITZGERALD.

New South Wales—HON. F. B. SUTTOR, M.L.A.

Cape Colony—SIR HENRY DE VILLIERS, K.C.M.G.

SIR CHARLES MILLS, K.C.M.G., C.B.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—ALFRED LEE SMITH, Esq.

Victoria—SIR HENRY WRIXON, K.C.M.G., Q.C.

HON. NICHOLAS FITZGERALD, M.L.C.

HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.

HON. WILLIAM FORREST, M.L.C.

THE PACIFIC CABLE.

HON. NICHOLAS FITZGERALD.—I beg to move :—

That in the opinion of this conference immediate steps should be taken for the construction of the cable from Australia to Canada as far as the colony of Fiji, to which place the survey is already completed, on a tri-partite arrangement between Great Britain and Canada and the Australasian Colonies.

Mr. Chairman, I do not intend to re-open the question of the cable; but it appears to me very important that we should take some decided steps to prove our earnestness on the subject. I feel the force of the observation made by Mr. Lee Smith yesterday, that this was simply an abstract resolution, and that it was necessary on such important questions to take some definite action showing our sincerity; otherwise the effect which this conference would produce on the public mind would be lessened. I was forcibly impressed in considering this; I observe that the line to Fiji has already been surveyed. Now, the difficulty which we saw staring us with regard to any recommendations on the extended line to Vancouver is removed as far as the colony of Fiji is concerned. The connection between it and Australia will be the first link in the chain, should any cable ever be laid between the two great dependencies. No matter what part of Australasia the communication will extend from, without doubt the connection with Fiji must be the first link, and that being the case, if we are all agreed, as I am sure we are, as to the absolute importance, for the reasons stated, of the establishment of this cable between the two dependencies, it appears to me the

survey being completed there, that we ought to prove that earnestness by agreeing that the construction of the cable connecting Fiji with some part of the Australasian Colonies should at once be proceeded with. Then, we will thereby ascertain whether Her Majesty's Government will consent to bear a share of the cost of such first link. There will be no necessity of doubt as to the other governments, England being the only party to this proposed arrangement about whose opinion we are uncertain. We have the assurance of Canada, and we have the assurance of all the delegates from Australasia; and the sooner the better for us to be certain whether Her Majesty's Government are willing to join with the other dependencies. The difficulty of survey does not exist with regard to this link. If it be constructed it must be with a guarantee that continuation, after survey is completed, will be made on the same line according to like arrangement from Fiji to Canada as early as possible. It gives this conference an opportunity of doing substantial work, in this regard; and removes the necessity for further negotiations as to the advantage that cable would be; this would be admitted by the construction of the first link. The arrangements for the total cost will be established by the arrangement for the first portion of the line; and if it is assured to us that there will be no further delay in the completion of the survey onward, the realization of our hopes may be within a definite period. I will not occupy time by saying more. I will conclude by moving that in the opinion of this conference immediate steps should be taken for the construction of the cable from Australia to Canada as far as the colony of Fiji, to which place the survey is already completed, on a tri-partite arrangement between Great Britain, Canada, and the Australasian Colonies.

Hon. Mr. THYNNE.—In seconding that motion, I wish to say that I entirely concur with what the mover has just stated; and I think it is a great pity if we content ourselves with the passing of a mere abstract resolution on the subject.

Lord JERSEY.—This is rather prejudging the whole question, is it not? It is assuming that it will be possible to lay a cable from Vancouver to Australia. It was pointed out that it was impossible to decide that question until a survey had been made. I have no authority to speak for the British Government on this matter. This may be called a link in the chain, but supposing it was found impossible for certain reasons to lay the cable from Vancouver to Fiji, Canada and the Imperial Government would be committed to a cable line which would only be of a small character and not the complete cable line desired.

Hon. Mr. PLAYFORD.—Until the rest of the line was completed, it would be utterly useless as a line.

Mr. LEE SMITH.—I am very much pleased that Mr. Fitzgerald and other gentlemen appear to think differently from what they did last evening, when they regarded the passing of the abstract resolution as a conclusive summing up, so to speak, of our duties with regard to this cable. As you all know, I take a very different view, and I think that even the proposition which Mr. Fitzgerald is now putting before the conference is not sufficient; because, sir, if you look back to the 1887 Conference, and remember what took place after that conference, you will find that what we have done yesterday and what we are proposing to do to-day is nothing like sufficient to induce the British Government to take the steps necessary to carry out this object, unless they have very materially altered their minds; because on the recommendations which were sent after the 1887 Conference to the British Government it was found the answer was this, that there was no prospect—at least I believe it was so—that there was no prospect of

sufficient funds being available on the part of the several colonies concerned to carry out the work. They said it would not be justifiable on the part of the British Government to go to any material expenditure in carrying out surveys, but they promised, in a general way, that they would use opportunities from time to time to make surveys, but it has been done in a very fragmentary manner. Now, sir, I think that unless we are prepared here to give the British Government, through Lord Jersey, an assurance that we want this cable, and are prepared to put our hands into our pockets beyond the mere provisional initial cost of survey, the British Government will very fairly say in reply, "Gentlemen, you are aware that we must make you the same reply as we made before, and we must consider what position we shall be in." I believe, sir, you want to go very much beyond what we have done. We want to pass some kind of concrete resolution that we will recommend our governments to provide so much money in some form or another, preferable by way of guarantee, in order that this work will be carried out. Then Lord Jersey will go home and he can say: "I have attended this conference, and I find not only by the remarks they have made, but by the resolutions which they have carried that they are prepared to find this money and will pay their part;" and then the British Government, as I said before, will see that we are in earnest; and then I have no doubt if they will ever do anything at all in this matter, they will do it. I do not think it is probable that any practical result will arise even though the action of yesterday has been, I must admit, somewhat strengthened by the arguments and proposal which Mr. Fitzgerald has brought before us. I still adhere to the opinion which I expressed yesterday, that as an alternative to the Government's refusal to do anything we should take some steps to get tenders from some companies. Now, what do we now find? That the whole of that portion of the Pacific Ocean from Australia proper up to the equator and through which the cable might by any chance go, is surveyed. Take Samoa, Fiji, Sydney, Bundaburg, or the north of New Zealand; in any one of these alternative routes there is sufficient information before us now to justify the laying of the cable; and therefore the British Government might say "Well, gentlemen, you have got the most material portion of the Pacific Ocean surveyed already; it is on record; there it is; why do you not do something with that?" I do hope that the conference will yet reconsider this matter and do something in a definite and concrete form.

Hon. Mr. FOSTER.—I supposed the result of yesterday's discussion and the resolutions that we passed had definitely finished the matter of the cable. Now, let us just see what we did yesterday. We had a thorough discussion of the whole matter; we came to the conclusion that we were not prepared as a conference, or the governments which we represent were not prepared, to undertake the raising of the money for the construction of the cable on an uncertain ground; that we had no survey, and that until the survey was made, and we could have a definite basis so as to see what the amount of cost would be, it was impossible for us to enter into the liabilities which would be comprehended in the construction of the cable. We came to our conclusions; but while we passed one resolution affirming the desirability of an immediate construction of a cable, by the word "immediate" we of course meant that steps be immediately taken in the line of the previous resolution, which showed the spirit of the conference with reference to the project, viz.; that it be a reasonable project, that the cost be not too great, and that there is a possibility of its being constructed so far as the survey would give the results as to the ocean bottom. Then we went still further; as a test of our *bona fides*

in the arrangement, we agreed we would work for that survey, and agreed to provide for our share of the expenses of that survey. Now, sir, after that is done, this morning a resolution is placed before conference for the purpose of testing the *bona fides* of the members of this conference as to whether they meant anything by their resolutions passed yesterday; and it is stated that that *bona fides* will be shown if Canada and Great Britain are willing to put their hands into their pockets and build a piece of the cable between New Zealand and Fiji. Now I hold—and I wish to make that representation as strong as possible—that this resolution is not necessary in order to test the *bona fides* of the conference so far as the cable is concerned; but I want to ask you what position it will put the Canadian Government in? The only basis we have for going down to Parliament and asking them to put money in our hands is that there shall be a certain connection between Australia and this country; that is all. And if we go down with the proposition of a complete cable on a certain and definite basis, affirming the possibility of the construction of that cable, affirming on a fair basis the amount that would have to be expended, and consequently the liability of Canada as far as that cable is concerned, we will then have to press the matter with our united strength upon our Parliament in order to get the money which is necessary from considerations which I stated yesterday. But, sir, what position would the Government of Canada be in to go down next week to the Parliament of Canada, and ask them to make an appropriation for defraying one third of the cost of the cable between New Zealand and Fiji? The Parliament of Canada would immediately ask the Government, what benefit would Canada get from that? Will it ever be built beyond Fiji? Can it be built beyond Fiji? What will be the cost of building it beyond Fiji to Vancouver, and consequently what liability shall we be under? But to ask the Parliament of Canada to vote a sum of money either a third or any other sum, to build a cable between New Zealand and Fiji without being able to tell them what would be their portion of the liability for a completed cable, without being able to tell them whether a completed cable could ever be made or not, without being able to tell them one thing as to their liability on that point, would place the Government of Canada in an awkward position. If this resolution were passed, and if you asked the Government of Canada to take that position, instead of hastening the operation of the construction of the cable, to my mind it would not tend in that direction, but would tend in the other direction. You may depend upon it that there is such a thing as hastening slowly; and in this respect I do not think that it will make matters better to hasten too rapidly. I believe we have gone as far as we unitedly can in this conference on the matter; I believe we are thoroughly in earnest; I do not think it requires any resolution to test the *bona fides* of this conference, certainly not of the Canadian delegates to this resolution, and I think we have gone just as far as we possibly can without a disagreement. We are united; we have taken a step; we have taken a step and an earnest step. Let us see the result of that, and then we will be prepared to confer as to what shall be done after that. I want the delegates to this conference just to consider the one point I have made, as to what would be the position of the Government of Canada coming down to Parliament and asking for a contribution to build a cable from New Zealand to Fiji without being able to tell them whether it should ever be completed to Canada or the amount of cost it would take to complete it to Canada.

Hon. Mr. FORREST.—There is a great deal, no doubt, in what has fallen from Mr. Foster, but it occurred to me while he was talking that there might be a way of relieving his government of the difficulty to which he has referred in the motion. And it would

be this. I think it might be arranged, in the event of its being found after survey that it would be utterly impossible to continue the cable to Canada, that the Australian governments would bear all the cost of the cable. It would be understood that Canada only entered into the arrangement on condition of its being continued to Vancouver.

Hon. Mr. FITZGERALD.—It would be a condition of the agreement.

Hon. Mr. FORREST.—Yes, a part of the agreement ; and by agreeing to the motion of Mr. Fitzgerald we would show the world we were in earnest about the matter and meant to build the cable, and thereby prevent anybody else undertaking it.

Hon. Mr. FITZGERALD.—And not leave any suspicion as to the earnestness.

Hon. Mr. FORREST.—No, we do not doubt for a moment the *bona fides* of anyone here. I am not prepared very well to speak on the point, because I just heard about it now ; but I would just like to explain to the conference how this matter has presented itself to my mind. I do not think for one moment there is the slightest possibility of a survey showing that a cable cannot be laid ; that never occurred to me. The great object of a survey is to find the best route, but to contemplate for one moment that the result of a survey would be to show that a cable cannot be laid is one I cannot understand. Therefore, I think this motion is really worthy of very serious consideration ; and, without putting it in a more definite form, I think I have shown a way whereby Canada would be relieved of complications under certain conditions.

Lord JERSEY.—I must remind the honourable gentleman that exactly the same questions would be asked in England.

Hon. Mr. FITZGERALD.—Fiji is a colony of the Empire.

Lord JERSEY.—But this cable is put forward as a great international undertaking between Canada and Australia as a whole, not as a piece-meal cable. Mr. Foster has put the matter so well and so tersely that I will only say that I feel quite sure the same difficulty will present itself to the Government at home as presents itself to Mr. Foster as a Minister of the Canadian Government.

Hon. Mr. PLAYFORD.—All I wish to say is this, that if this resolution is passed, supposing South Australia, which I represent, was desirous that no cable under any circumstances should be laid down, I think the best way to accomplish that object would be for me to vote for the motion that is now proposed, because then we would see plain enough that we would have Canada and Great Britain and some of the Australian Colonies all at loggerheads pretty quickly over this proposal. My own idea is that which has been expressed by the representatives of Canada and Great Britain, that those two countries will say unmistakably that until we know what the cost of this line is, even supposing the surveys are favourable, until we know what the cost of the line is beyond Fiji to connect it with Canada, we cannot go to Parliament and ask Parliament for a large sum of money to make a section of the line, because questions will be put in a most pertinent manner by the practical men in our Parliaments, What is it going to cost beyond Fiji? You have passed a resolution that you want a survey ; what do you want a survey for? To ascertain what the line will cost. You must first make the survey and ascertain what the cost will be. "Do not buy a pig in a poke, and spend a lot of money, and then find you cannot complete the line," will be the line of argument taken. They will never agree to it. If this work is required for imperial purposes, South Australia has no desire to oppose it whatever. If I was credited with having a

desire of thwarting this cable, I could do nothing better calculated to further that design than to vote for this motion.

Hon. Mr. FITZGERALD.—I think a great many of the objections are easily refuted, but I do not intend to continue the discussion. Mr. Foster representing Canada, his colleagues evidently assenting, not having spoken to it, and Canada being a party to the tri-partite arrangement there referred to, Mr. Foster representing Canada, stating that it would be impossible to press the Australian views against the united objections of the Imperial Government and the Government of Canada, I have no desire to press my motion. I only speak on behalf of the colonies of Queensland and Victoria; my friend from New South Wales has not spoken. I therefore beg to withdraw this motion.

The motion was withdrawn by leave of the conference.

THE COLONY OF NATAL.

The PRESIDENT.—I desire, in order that it may appear on the record, to read a letter received by our Premier, from Sir John Robinson, the Prime Minister of Natal :—

PIETERMARITZBURG, 19th May, 1894.

SIR,—I have the honour to acknowledge the receipt, through the Agent General of this colony, Mr. Walter Peace, of a letter addressed to him by His Excellency the High Commissioner for Canada, Sir Charles Tupper, intimating that he had received a telegram from Canada requesting him, on behalf of your government, to invite the government of Natal to be represented at the Inter-colonial Conference to be held at Ottawa, in June next.

In thanking you most cordially in the name of this government for your courteous invitation, I beg to assure you that it would have afforded this government sincere satisfaction to take part in the proposed conference, called as it has been to discuss questions of high importance to both the colonies and the mother country, and tending as it must tend, to knit together by ties of closer acquaintanceship, personal conference, and, possibly, common action, the colonial communities of the Empire. Although, however, the understood objects of the conference have the full sympathy of this government, it has, with much regret, been found impossible under existing circumstances, and within the time available, to send a representative or representatives; Parliament being now in session and both ministers and members being engaged in legislative business of great importance, consequent upon the recent establishment of self-government here.

I need hardly add that the proceedings of the conference will be followed here with keen interest, and that we trust the movement will be attended by full and far reaching success.

I have the honour to be, sir,

Your obedient servant,

(Signed) JOHN ROBINSON,
Prime Minister.

The Honourable

Sir JOHN S. D. THOMPSON, K.C.M.G., Q.C., &c., &c.,
Premier for Canada.

TRADE WITHIN THE EMPIRE.

The PRESIDENT.—The business on the paper is the motion of Mr. Foster, as follows

"Whereas: The stability and progress of the British Empire can be best assured by drawing continually closer the bands that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare;

And whereas: This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products;

Therefore resolved: That this conference records its belief in the advisability and practical possibility of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries;

And further resolved: That pending the assent of the mother country to such an arrangement, in which she shall be included, it is desirable that the colonies of Great Britain, or such of them as may be disposed to accede to this view, take immediate steps to place each other's products on a more favoured customs basis than is accorded to the like products of foreign countries."

Hon. Mr. FOSTER.—In rising to move the resolution of which I gave notice, I want, in the first place, to say two things, viz., first, that I do not propose to make an extended speech in connection with the matter; in the second place, I have, from the busy nature of these days, and my own inability to accomplish much work, been unable to give any particular research in the way of collecting and presenting material. I am, therefore, going to deal altogether with general principles, and I do not propose to bring forward any mass of statistics in furtherance of the proposals which may be advanced. That could be done, but I shall not present them at the present time. Moreover, I think it better, in dealing with this question to confine myself to the general principles underlying it. The first part of the preamble, I imagine, will find no dissentient voice. As representing colonies of the Great British Empire, we are undoubtedly, all of us, deeply interested in the stability and progress of that Empire. If there is one object dear to us as public men, or as citizens of our respective colonies, I think it is that the Empire of which we form a part shall enter no period of decline; that the glorious past which has been hers shall not be eclipsed by an old age of decrepitude and decadence, but that her mature old life, going out into the members of the body, scattered over different parts of the earth, may continually renew itself, and that the Empire, as a whole, may go on in an increasing ratio of progress, of influence, and of prosperity. That requires no argument. That is simply the one feeling which dominates, I believe, public men and citizens in the different colonies of the Empire. There is another thing which we may also agree upon. That is, the fact that the progress and stability of the Empire is to be assured by the unity of its different parts, and by the sympathetic co-operation which exists, or shall exist, between the head and the different members of the great British Empire. Fortunately, our past history, the history of the last twenty-five years, not far removed from us, is bright, when it is looked at as illustrative of that. The feeling which more or less prevailed twenty-five years ago, and even less, that the colonies were a drag upon the mother country, and that it might be well if connections were cut, and the bonds that had kept them together were loosened for ever,—that opinion, strong as it was twenty-five years ago, or less, has been decreasing, and to-day no influential or considerable body of men in Great Britain can be found who advocate other than the closest possible relations between Great Britain and her outlying colonies and dependencies. But, the unity of the Empire depends very much upon the amount of co-operation, actual, sympathetic co-operation, that takes place between its different members. It is to this point that I wish more particularly to draw the attention of the conference. It is contained in the second part of the preamble which affirms that this co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products. The flag is a bond without doubt from what it typifies, the Queen is a bond because of her position, because also of her estimable qualities, because she has lived the whole life of the present, and almost of a past generation, and because the feeling or the sentiments which exist towards a ruler, are made stronger and deeper because of the affections which centre about her personally, considered as the Queen of our great Dominions. The constitution of Great Britain, wide and elastic as it is, is a bond; the institutions which, in common with the mother country we possess are bonds, on account of their strength, on account of their freedom, on account of their beneficent character. The army and navy, which embody the defence

of the Empire, both at home, at its heart and centre, and in its outlying parts is also a bond of unity, and a bond of strength; but underneath all this there is one thing which is stronger, in its way, than any other, and which is, to my mind, essentially necessary in order that that unity shall be preserved between parts of an Empire so far removed from each other, and, in some respects, with such divergent interests. I refer, gentlemen, to the common blood of trade and commerce which flows from the heart of the Empire out into the limbs of the dependencies, and back again with its strength, and vivifying influence, to the heart of the Empire. Trade and commerce carry with them knowledge and sympathy. It is impossible for the commercial community of Great Britain to have to do with the commercial interests, with the trade interests of any country, especially with the trade interests of the parts of the Empire, without getting a large knowledge of the resources, the capabilities of these different parts, and without, having bound up with that a material, and if you wish, a selfish interest, and the powerful and common bonds of a material and social interest are continually forwarded, continually widened, and continually strengthened. And, this is, to my mind, the guarantee of the future unity, the future stability, and the future prosperity of the Great British Empire. If we believe that, the question arises next as to how this commerce and trade between the different parts of the Empire may be placed on the widest, and most satisfactory basis. I believe that it can be done by some such arrangement as is hinted at in the resolutions which follow the preamble about which I have been for the moment speaking. Who doubts for a single moment that if Great Britain and her colonies could be formed into a commercial union, whereby the trade between the different parts of the Empire would have a more favoured position than outside, or foreign trade, who doubts but that immense benefits would immediately accrue to the Empire as a whole? What would it mean? It would mean, in the first place, that the energy, the genius, the strength, the power, the research of the commercial communities of Great Britain would be directed more and more to her colonial possessions, and that whatever there was of advantage in the direction of these forces and these powers towards the development of the colonies, would immediately have its result in the growth and progress of these colonies. What an impetus would be given to immigration if, for all practical trade purposes the British Empire were whenever a man left Great Britain he would feel that in making his choice he had two things to be considered; one, to go under a foreign flag and engage in industrial or commercial life which had not the advantage that it otherwise might have; the other, to remain under the same institutions, the same flag, and when he came to think of his material and commercial interests, to feel that he was placing himself in a better position by means of a favoured customs or trade arrangement. Often, when the emigrant leaves Great Britain, the tuggings of the flag, the tuggings of his nationality, the drawings of the institutions under which he has grown up, and to which he is accustomed, pull at him in one way, but, in the other, there pulls at him the idea of a larger material consideration and benefit which he may get; but, how that would be lessened, how the force of it would be found with the other forces I have spoken of, if he knew that when he left Great Britain, and went to a colony, he remained under the same flag, the same institutions, had practically, the same guarantee of his freedom and rights, but more than that, that he was engaging in an industry and a commerce which had the most favoured place with Great Britain, and which would consequently, conduce in the best way to his material benefit. Therefore, I say that

an impetus would at once be given to immigration, and, what is it that these great colonies want? Look at Canada, look at Australia on the map, look at the stretches of South West, and Central Africa. What is it that is needed? Is it fertility of soil, is it wealth of resources? Is it the wealth which is in the soil, in the sea, or in the forest? None of these things. What is needed is population,—the Anglo-Saxon, the British emigrant settling there and developing the rich resources of this country, making a population which is productive, and which consequently leads to progress and to strength. That is what these colonies want, and an arrangement of this kind, without doubt, would give an impetus to immigration. But what an impetus it would give to production as well! Let once the demand of the British Empire in the mother islands, for its food, for its different resources of raw material, centre upon the colonies of Great Britain, and how it would draw out from the richness of the soil and the wealth of forest and mine; how it would draw out these hidden and valued resources, and put them into a position where they would become still more valuable, and cater to the development and good of mankind; so that not only would immigration be assisted, but the development which would immediately follow which would be made necessary, would spread throughout the different colonies of the Empire, and issue as a direct result. More than that, there would come a strength, there would come a confidence which we do not have now. An arrangement of that kind would set at rest whatever feeling of dissatisfaction, whatever feeling of unrest there is as to the political future of these colonies. We ask sometimes in Canada, I dare say you ask sometimes in Australasia, what are we going to do twenty or twenty-five years from now? And, in nine cases out of ten the commercial consideration is the one which gives the birth to that feeling; but, let a commercial status like this be affirmed and assured, and immediately that unrest takes on less possible proportions, in fact, it is practically nullified. The future then, is the future of an Empire, and each one of the parts has faith in itself as part of an Empire, strong, healthy and prosperous. So that there will be a confidence, a stability, and in time a strength of conviction in the political status which would be beneficial to every one of the colonies. Those are some of the results which would accrue, provided such an arrangement as that could be brought about. If it would be advantageous to us, and we think we have no doubt upon that point, we come to a still graver question, as to whether or not it is practicable; and, I just wish to present a few thoughts with reference to the point of practicability. The objection, when we take into account such an arrangement as to trade and commerce, is this, as to how it would be viewed in Great Britain, and as to what would be the effect on the commerce of Great Britain. That is an immense consideration. That is the practical point of view around which the debate must wage, and we would be blind, indeed, if we thought by simply putting a resolution like this upon paper, and agreeing to it, we had accomplished the fact, for British interests are still immense, the British people at home will think of those interests, and while it will not be the sole factor, it will be the strongest factor in their ultimate decision of the question. Now, let us look over it for a moment. Is there any theoretical reason why Great Britain should not give a more favoured place to the commerce of her colonies than she does to foreign countries? When in Great Britain a year or so ago, I was often met by this statement:—Well, but you in Canada have free entry to our markets, everything comes in free, and you put a duty on goods which we send back to you. Are you treating us right in that respect? That is a point of argument which

is often brought up, and which is specious in its way, but there is this reply to that. True, you give an open market to the goods of Canada, but you give an equally open market to every competitor of Canada, and, consequently, you are doing no favour to Canada for which you can ask a favour in return. But, again coming to the point, is there any theoretical reason why she should not treat her own colonies better than foreign countries? There is certainly none in the attitude of foreign countries towards the commerce of Great Britain. There has been a good deal said as regards the armed forces of the European continent, each one with its immense equipment ready for war, watching each other. If that is the truth, it is equally true that in matters of trade and commerce there is war. What foreign European country—or to speak in the large, in the broad sense—what foreign country is especially solicitous as to what it does for the commerce of Great Britain? Great Britain, forty or fifty years ago started out on the assumption that it would be better for her to reverse the policy of former times, which was a strictly protective policy, amounting to prohibition, and make herself the workshop for the world. It was wise, without a shadow of doubt. Looking back in history we cannot but come to that conclusion; but a workshop for the world in that year of grace, forty or fifty years ago, was different from the workshop for the world at the present time. (Hear, hear.) Then Great Britain, when she made her market free to the produce of the world, had practically the monopoly of supplying the world in return for what they needed of manufactured goods; but, from that time up to this, the lines have been continually raised, until every European country to-day, almost without exception, and almost every great country, has raised fiscal walls against the commerce of Great Britain. Has done what? Has prevented the ingress of her goods, in so far as the tariff wall went, diminished the sale of their goods within their borders by the impetus they gave to manufacturing industry on account of the raising of those walls, until to-day countries, which twenty years ago, depended on English makers chiefly for nine-tenths of what they consumed in the way of manufactured articles, are to-day making within their own borders nine-tenths of what they consume. But they have done more than that. Whilst they have raised the walls against the commerce of Great Britain, so far as manufactured goods are concerned, they have taken advantage of the open markets of Great Britain, and have competed therein, lessening the scope and area of the patronage of the workmen of Great Britain, and of the working-marts of Great Britain.

Hon. Mr. FRASER.—Still, trade is increasing.

Hon. Mr. PLAYFORD.—Only through her colonies.

Hon. Mr. FOSTER.—These are the facts that walls have been raised against her by different countries, that she has been cut out of the market by foreign countries to the best extent they could, has been forced to compete, and consequently lost a certain portion of the market of her own country. Why, think of it to-day! What does France do for Great Britain? France has a minimum and a maximum tariff, but her minimum tariff is a highly protective tariff, and France to-day, while she raises the walls against every article of Great Britain, sends a largely increasing proportion of woollen and cotton goods into Great Britain, so that last year nearly \$75,000,000 worth of goods were exported from France into Great Britain herself, and a large proportion of those was no doubt consumed within that country. So that I say England owes nothing in the way of good-will, commercially, to foreign countries, which should operate as a bar to her saying to her own children we will treat you a little better than foreign countries. But, there is another side to that, and the English will say, we want to carry on trade with

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France, even although they have a wall against us, with the United States, even though they have a wall against us, and maybe if we give you a preferential position in our market, we will be more hardly used by France, and by the United States.

My own opinion is that in the United States, France and most of these countries, the highest point has been reached in protective tariffs and, instead of going further up, the tendency in future will be in the opposite direction. I don't think that that is a practical point which would weigh much with Englishmen in a decision of this question. It is true that Great Britain has been cut out from a great many countries but still has extended her commerce. How has she done it? She has done it through her colonies. In foreign countries she has not extended her commerce to anything like the extent she has in the colonies. A colonial consumer is worth more to the British producer than six European consumers. So that every colonial dependency that she possesses has become her customer and her commerce could never have extended as it has if it had not been for these dependencies. Then the colonies have all protected against the mother country, but none of them have protected as the foreign countries have protected against her. You can take them and make an average. Take the French tariff and compare it with the Canadian tariff. Take the United States tariff and compare it with the Australian tariff. Take the German tariff and compare it with the other colonies. Look them through and through and when you come to read out results you will find that the protection is far lower in the colonies of Britain against British goods, taking it on an average, than it is in the foreign countries. So that she has gained by her colonies. But where else has she gained? She has gained in the new and neutral markets of the world. Great Britain has pushed, with an immense energy and at immense cost, her markets out into the unoccupied territory, so to speak, but she is followed close on her heels and side by side with her now by the protective countries of Europe, by those countries that have walled her to a large extent out of their territory and commerce. She is followed unrelentingly in this commercial warfare into every neutral market and they have divided it and they will divide it more and more. Consequently, the area of her markets is diminished and the competition within that area is continually increasing and the competition is from those who have walled her out as far as they possibly could from their own markets. That is the position of things. Great Britain has another consideration which is a forcible one to my mind. Put a cordon around England for twenty-four days and what will become of her people.

Hon. Mr. FRASER.—They will starve.

Hon. Mr. FOSTER.—Allow no food to come in and what would become of her people? That cordon could be pretty nearly as effectual if it were 500 or 1,000 miles away from England as if it were just about her coasts, and in the eventuality of a great war her food supply stands a chance of being largely cut off by the hostile countries with which she may be engaged. (Hear, hear). A war with Russia would cut her off from the wheat of Russia. A ukase of the Czar in twenty-four hours could dry up the exports of wheat from Russia to Great Britain. A great war carried on with Russia or some of the other powers would make them conserve their food supplies and prevent them sending them to Great Britain. I might in touching that, without going into it further, point out this, that the true food supply and the strategic food supply of Great Britain is in her own colonies and her own dependencies with whom she will never be at war and between whom and herself it is most easy for her to keep continual connection and continual communication. For the markets of trade are more easily kept open in a

friendly them in an unfriendly country ; and in a friendly part of the Empire than among the foes of the Empire. So I think that it is wise to look at it from a British point of view, that in proportion as Britain stimulates her colonies so in proportion these colonies will become the supply centres of food for Great Britain. Take Canada ; take Australia ; take Africa. These countries can easily supply all the food of all the varieties that Great Britain needs. It needs an impetus and some development but there is a possibility, after due development, within a near period that the colonies of Great Britain can supply all the food and most of the natural resources that Great Britain needs for her living and for her manufacturing. (Hear, hear.) So that there is this from the imperial point of view as well as from the strategic point of view to be looked at upon the other side. Now, gentlemen, you will see that this motion is framed so as to give it as wide a range and as great elasticity as possible. This motion does not ask that Great Britain shall give on every product of her colonies a preferential position, but she may choose as regards certain things which would be of use to her colonies. Some certain things she might not be able even to put a small duty upon, but she may be able to accede to this proposition without any detriment to her trade and commerce. This resolution is so framed that it does not necessarily become inclusive of all the products. It gives a choice of selection. The only thing to affirm is that more favourable trade arrangements be given to the colonies than is given to foreign countries. I desire to put in three or four words after the word "products"—making my resolution read: products "in whole or in part," so that it will leave the clause elastic and will not bind a colony to give differential arrangements upon every article of her imports, but will allow a selection, so that a number may be chosen and upon these a differential rate or more favourable treatment may be given. From an imperial point of view the unity, strength and stability of the Empire as a whole would be most reasonably and most certainly assured by the binding together of Great Britain and her colonies under this clause, and, added to that, the other ties of descent and institution which will also give to them large help in binding them together. So much for the imperial point of view. Now then, from the colonial point of view so far as that is concerned, it is easier because we are not met by the free trade problem in its nakedness and in its entirety. All the large colonies, I believe, raise a revenue which is necessary for the maintenance of the public works, and which to be equal to the maintenance of the public services necessitates a fairly high customs rate, so that to this extent the tariffs of nearly all the colonies are more or less protective in proportion as the customs rate is fairly high than if it was merely for revenue purposes. There is added incidentally a measure of protection for manufactured products in each country under that tariff. So that there is not the initial difficulty that we meet when thinking of including Great Britain in the arrangement. My point of view is this ; that there are not these difficulties as between colonies as we hope to have power to make these arrangements between the colonies, as in the colonies there is nothing like free trade pure and simple, and, therefore, the problem is much easier of solution than as regards Great Britain ; that it would be wise for us in the interests of our common sisterhood and of trade and the purely imperial interest as well as if we were not to wait until the ideal time shall be realized when Great Britain and her colonies may make these arrangements. It may come some time ; I hope it will. But my wish is that we may commence now between the colonies themselves. Some of them may be disposed to enter into this arrangement or put their heads together and make some

arrangement by which their trade shall be developed. It may be done in two ways. For instance, the Government of Canada could propose in their tariff, and carry it, that that they would, for every British colony which gave a like reciprocation or adequate reciprocation, enact, with reference to the goods coming into Canada, that they should be scaled down five per cent or scaled down ten per cent for the products of that colony. A small differential rate would give the advantage. The result would be to direct trade under that small advantage, because who does not know now that trade is done on a very small margin and that a very small percentage nowadays will have the effect of drawing and directing trade in channels which it has not hitherto been accustomed to take. I think that five per cent profit on the value of articles on large transactions, as they would necessarily be, would be considered a living profit of itself if that could be saved, because I imagine that a great many commercial men, year in and year out, do not make a clear five per cent upon the whole volume of their transactions. So that the thing is easily practicable. Suppose one colony says "if Canada will give us certain advantages we will let their articles that they export in here at five per cent less than we let the articles of foreign countries in". Suppose Canada says: "If the Australasian Colonies give us certain trade advantages on what we wish to export there we will let their products come into Canada five per cent less than the products of any other country". Does not any one know that that would immediately give an advantage to each of these countries and that our mercantile men would be at once on the *qui vive*. What is it that will sell in Australia and we will send it there. We get a better compensation there than outside in foreign countries. The Australian business men would send to Canada what we buy and get the differential rate on that and we would protect ourselves in that direction. But if it is found impracticable to make a general reduction of five per cent on everything let us put our heads together and make a comparison of articles that we think can be interchanged on a favourable basis and let us give with regard to these articles more favourable treatment to each other than we give to foreign countries. The difficulties in a plan of this kind are not, I think, insurmountable. In fact, I think they are quite practicable and solvable, and if we desire to have the full benefit of what we have already done it is possible, I think, for us to go one step further, and make that which we have already done practically result in good. For we are pledged to steamship communication and we give of our money mutually in order to open a line of steamship communication between Australasia and Canada. We are pledged to communication which so far as we are concerned means commercial development, but the steamship and the cable fail unless the accompanying trade develops as between the two countries. Let us go one step further and utilize what we have done in steamship subventions and utilize what we propose to do in cable communication and give this decided impetus to the trade between these two countries one towards the other by a slightly favoured position for the products of these countries one with the other. Now Mr. President and gentlemen, I have in this desultory way put some of the points in reference to this resolution. I do not see that the difficulties are insurmountable. I would like to see the whole scheme carried out, but I think we will come nearer towards carrying out that whole scheme if we, the colonies, wait no longer for the assent of Great Britain to the larger scheme, but immediately go to work to carry out our part. There have been some indications, some remarkable indications of late that public opinion is ripening towards that. The *Times* newspaper not long ago had a remarkable article. It was

brought out by a resolution passed by our Parliament of Canada saying that whenever Great Britain would give us preferential treatment, we would give a lower scale of duties to her products entering our country. The *Times* commenting on that said this in substance: That is a remarkable step which Canada has taken. It deserves to be considered, but Great Britain can scarcely change her fiscal relations for one colony. What do the other colonies think about this? And if it does happen that the other colonies think in the same way that Canada thinks, then the lead has been given to a remarkable proposition which must be considered by Great Britain and she may eventually change her fiscal relations entirely. Now that shows the trend of public opinion in that respect. I have here a statement which I saw in a paper. Lord Salisbury made a speech not long since which is significant of itself because it follows in the characteristic line of several utterances of Lord Salisbury and other statesmen in Great Britain. Lord Salisbury says:—

We live in an age of a war of tariffs. Every nation is trying how it can, by agreement with its neighbour, get the greatest possible protection for its industries, and, at the same time, the greatest possible access to the markets of its neighbours. I want to point out to you that what I observe is that while A is very anxious to get the favour of B, and B is anxious to get a favour of C, nobody cares two straws about getting the commercial favour of Great Britain. What is the reason of that? It is that in this great battle Great Britain has deliberately stripped herself of her armour and her weapons by which the battle is to be fought. You cannot do business in this world of evil and suffering on those terms. If you fight, you must fight with the weapons with which those whom you are contending against are fighting.

That is a remarkable utterance. It is the utterance of a leading statesman. No reader of Great Britain's contemporary history is unaware of the fact that there is a great deal of loosening of ideas with reference to this thing and that people are coming more and more to ask what is the best thing under the present circumstances for us to do with reference to our commerce. Depend upon it, before long the people of Great Britain will be fighting on that practical issue. If it turns out that free trade is best, she will be kept under free trade and if it turns out that something else is better, that better plan will be adopted. That time may be more or less distant, but controversy is verging towards the practical point and it will have to be settled by the British people. That may be some time in coming or it may come quickly, but in the meantime the colonies are in the position where they are free very largely from these disabilities to take hold of this question and solve it for themselves. We must take this fact into consideration that though the weight of the Empire so far as population is concerned, is to-day in the islands, the Empire comprises outside territory which has a large population to-day and which twenty-five years from now will have the largest proportion of the population of the British Empire. Whatever the colonies undertake to carry out will have by its pressure the power of causing thought and moulding the subsequent action of Great Britain itself. However, my great plea just at the present time is that though we consider imperial reciprocity an ideal which may only be realized by and by, and one for which we should work, we should not divest ourselves of the thought that the union of the colonies in this matter is an idea which can more speedily be realized. It is a practical possibility, and we ought to come to the conclusion, I think, that we brethren of kin may do for each other more than we do for outside brethren, who are brethren only by descent from the common parent. (Loud applause).

SIR HENRY WRIXON.—I will second it. It is not understood that I am particularly representing any colony, but in seconding it I am speaking for myself.

Hon. Mr. FITZGERALD.—I have listened with the greatest attention to the admirable, far-reaching, practical and eloquent speech of the hon. gentleman who introduced this motion. I only wish that hon. gentleman had been standing on the floor of the House of Commons addressing his remarks to the English people, because, while I agree that there is a great deal of force in many of his observations, I cannot concur in the deductions, in the stated facts that he has so eloquently described. I say, sir, that this resolution, if limited to clause No. 1, would be in itself, I think, sufficient to meet all his objections and would enable the conference to escape from what I think would be dangerous ground for them to travel. I quite concur, sir, that the opposition to the English on the part of the foreign powers is great and I cannot but admire the patience with which the English people submit to the disadvantage under the various tariffs they are subjected to; and I might say, I think, it is very likely there is a growing opinion in England, an opinion gradually ripening towards a change in her attitude to these powers which treat her in such a hostile manner with regard to their tariffs. But, sir, we cannot forget as far as we in the colonies are concerned, that the opinion of England is still staunch on this subject. If Englishmen are willing to allow themselves to be subjected to the competition which her policy subjects them to and if the English people are content to remain in that position, I do not think for one, that the colonies ought to strike the note of alarm among them or increase that alarm. It is simply in this position: if England is satisfied why should we disturb her people as far as colonial produce is concerned? What is the position of England in regard to colonial produce? In the first place our tariffs are all directed as much against England as against any foreign country. England is willing to acknowledge that. We may love England very much but our colonial manufacturers are just as tenacious regarding manufactures as the manufacturer of England, of France, of Belgium or any other country. Therefore, with regard to that point, and Mr. Foster has laid stress on it, I would ask how he would stand before his own Parliament in recommending such proposals. Look at the position with regard to the Australasian delegates. Every colony of Australasia adopts a more or less protective policy. Victoria has one of great dimensions, and prohibits articles of her own sister colonies entering and places them in the same position as the most distant nations of Europe. If England gave her a small differential duty upon her exports and these exports being limited practically to wheat, wine and butter, we know that in the matter of wheat England would never give us any advantage for the simple reason that by doing so she must increase the cost of the food of her people. There is one thing in the consideration of Mr. Foster's arguments which weakens the respect which ordinarily I hold for every utterance from Lord Salisbury. I look upon Lord Salisbury as representing the old landowner's policy, that he sees and feels, as does every land holder in England, that their incomes are declining every year, and why? Because as regards cereals, England is really ceasing to exist as an agricultural country, and why? Because of the enormous influx both from her colonies and foreign countries of cereal products. It is, therefore, this very point Lord Salisbury may have been looking at, and not at the broad view of the question. If England is to continue to be the centre of the manufactures of the world, it is essential that the cost of the living of the labouring men, necessary for working these manufactures, should be as low as possible. Consequently, in that aspect as far as the Australian colonies are concerned, I see no chance whatever to expect any reversal of the policy with regard to breadstuffs. My hon. friend also referred to the fact, which is one mostly for the con-

sideration of the English people and the statesmen of England, and that is the risk that England runs in time of war from the stoppage of her commerce in regard to bread-stuffs. I would say there is an explanation given every year when Her Majesty's Government in England asks for increased estimate for naval protection. What is the main argument? It is to protect her commerce, but chiefly with regard to the food of her people. If Russia stopped her supplies, and reduced the export of her wheat, Mr. Foster answers the question himself by saying, that the colonies are equal to supply the people with food. An encouragement of agriculture would arise if the prices of cereals arose and the increase in agriculture both in Canada and Australia and other countries would be such that in a very short time indeed, the prices would be reduced to the normal rate simply by competition between the countries. Therefore, with regard to grain and cereals I cannot believe that it is other than beating the air and putting England in the position of having the ungracious task of opposing any resolution of this conference that touches the food of her people. How is it with regard to butter? No doubt butter is an important article of export from one of the colonies, but it is not likely that England, for the purpose of giving us the advantage in butter, would shut out the butter from the northern or other parts of Europe. Nor do I think that the consideration in regard to our wine would be very great. If England was to be asked to allow her colonies to form a zollverein among each other in the event of her refusing to unite with them in the customs union, are we not dealing in a hostile attitude regarding her? Therefore if Mr. Foster would excise the second part of this resolution, I venture to say that the preamble No. 1 and preamble No. 2 must receive the assent of every member of this conference. I cannot regard that it is other than absolutely true "that the stability and progress of the Empire can be best assured by drawing continually closer the bands that unite the colonies with the mother country and by the continuous growth of a practical sympathy and co-operation of all that pertains to the common welfare." That is the first preamble. The second is this: "This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products." That is another admirable statement that I think must receive universal assent. Now, in the deduction from this, to my mind, it is sufficient for this conference to say: "That this conference records its belief in the advisability and practical possibility of a customs union, between Great Britain and her colonies, by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries." That is only confirming what we have already adopted when we began. We have demanded this in some cases by legislation, that we should be at liberty to enter into these relations between the colonies for our mutual advantage. Now, I come to the other: "That pending the assent of the mother country"—that is further than I am prepared to go. It shows that we have reason to expect that England will refuse to the colonies the extension of our powers by legislation. The word "pending assent" gives the idea that it would be as close to a threat of separation as it could be, and that if England and her statesmen refuse to build a wall against foreign countries, in order to meet the views of this conference, that we should build the wall ourselves and treat England as we would treat foreign nations, as hostile. In the face of such an impression as this, what is the use of talking about allegiance or sympathy with the great mother country?

Hon. Mr. FOSTER.—Who proposed to do that?

Hon. Mr. FITZGERALD.—It appears to me to be a deduction to be drawn from the language of the resolution.

Hon. Mr. FOSTER.—Not in the least.

Hon. Mr. FITZGERALD.—Therefore if England does not give assent to such an arrangement the colonies should be permitted to do it themselves.

Sir HENRY WRIXON.—We have affirmed that.

Hon. Mr. FOSTER.—What is the use of Sir Henry Wrixon's resolution?

Hon. Mr. FITZGERALD.—You are entitled to it whether she consents to it or not.

Hon. Mr. FOSTER.—This resolution is a corollary to what has been done before. Sir Henry Wrixon asks the mother country to give us power to make this arrangement. This resolution affirms that provided we get the power, we shall make the arrangement, if we like.

Hon. Mr. FITZGERALD.—I would like to have it altered if it means that. To me the resolution seems to be a hostile resolution to England.

Hon. Mr. FOSTER.—If she does not wish to make the customs arrangements, between her and all her colonies, let the colonies make these arrangements amongst themselves.

Hon. Mr. FITZGERALD.—The view I take of it is that it is not entirely removed, though considerably lessened.

Hon. Mr. FOSTER.—Perhaps it does not convey the meaning which it was the intention it should.

Hon. Mr. FITZGERALD.—If it be affirming simply what we have already adopted, what is the necessity of the resolution?

Hon. Mr. FOSTER.—Granted we get the power to do the thing, shall we say that we think it is advisable to do it?

Sir HENRY WRIXON.—It is the practical application of what we have previously done.

Hon. Mr. FITZGERALD.—The sting is taken very much out of it by that explanation, but I would like to hear that elaborated more before I give my consent to it.

Hon. Mr. FOSTER.—If it is the opinion of the conference that it is to be done, it should be done.

Hon. Mr. FITZGERALD.—We have the strongest objection to taking any action which may by anticipation convey to the home authorities an expression of opinion that this conference has any reason to suspect, much less to believe, that the resolutions carried here, the expressions of opinion moderately made with regard to these resolutions, will not be received with attention at home, and acceded to by the home government. Having that feeling, I desire to avoid in every possible way acting in any sense which would have the effect of lessening our chance of succeeding, and certainly of introducing a breach, or some extended departure from the friendly relations that now exist between the colonies and Great Britain, and between the colonies themselves, which I hope may be enduring and lasting.

The PRESIDENT.—Do I understand, Mr. Fitzgerald, your objection to be more particularly to the third paragraph?

Hon. Mr. FITZGERALD.—The third; where it says, "and further resolved"; it is the latter one of the two resolutions.

The PRESIDENT.—I merely ask for information. You do not object to an affirmation of the principle that the colonies should enter into reciprocal relations among themselves, do you, independent of the mother country altogether?

Hon. Mr. FITZGERALD.—No, I do not.

Sir HENRY DEVILLIERS.—I was very much impressed by the argument of my friend, Mr. Fitzgerald, but it strikes me that the whole of his argument was directed rather against the first of the two resolutions, though in the end he said he would vote for the first and against the second.

Hon. Mr. FITZGERALD.—It was the other way.

Sir HENRY DEVILLIERS.—To my mind he seems to have rather misunderstood the second resolution, but I did not rise with the object of making a speech upon the subject, but merely for the purpose of asking a few questions to enable me to decide how to vote. In the first place I should like to know from the mover whether it is proposed to enter into a kind of customs union with Great Britain; whether he proposes, for instance, that Canada should impose no duties whatever upon goods imported from England.

Hon. Mr. FOSTER.—I will answer that question first. The words "customs arrangements" were put in designedly in order to leave just as wide a leverage as possible. It does not mean that there should be one tariff all around, as a customs union would; it does not mean that necessarily. If the colonies and Great Britain would agree to that, it does not preclude it. It does not mean that there should be a customs union by which the same tariff would be levied all around necessarily. Neither does it affirm that there shall be no duties levied, or that goods shall be free between the two. It leaves it between those two extremes, so that an arrangement can be made, the effect of which will be simply, that as between Great Britain and her colonies trade will be more favoured than it is between Great Britain and her colonies, and foreign countries. There is the whole range of negotiation between those two points, made just as wide as possible, so as to allow the principle to be adopted.

Sir HENRY DEVILLIERS.—The question will be whether this is not a very one-sided arrangement, because I was looking at the bill which was placed in our hands of the duties to be imposed by this Dominion, and I find there are enormous duties imposed on goods imported from England. Then, is it proposed that these import duties should continue with a deduction of simply 5 per cent suggested?

Hon. Mr. FOSTER.—Whatever arrangement may be made. Suppose that Great Britain and Canada come together, talk over the matter, there is our tariff, there is your tariff, what arrangement can we make? Anything within the lines of an arrangement may be made possible under that.

Sir HENRY DEVILLIERS.—Then I would ask whether, in point of fact, the trade of Great Britain with foreign countries is not far in excess of her trade with her colonies?

Hon. Mr. FOSTER.—Four times as much.

Sir HENRY DEVILLIERS.—And I would inquire whether the effect of this motion will not be to greatly diminish that foreign trade, and therefore to diminish ultimately the trade which the colonies will have with England?

Hon. Mr. FOSTER.—That is a question of opinion.

Colonial Conference.

LORD JERSEY.—I will state to Sir Henry deVilliers that in 1891 the trade between Great Britain and her possessions was 22.84 per cent on the whole, as regards imports, and 30.20 as regards exports. If you look at this diagram you will see it is represented generally as being about one-fourth of the total trade of Great Britain.

HON. MR. FITZGERALD.—Of course that includes India.

LORD JERSEY.—Yes. Then I would point out that the last resolution, to which Mr. Fitzgerald took some exception, does appear a little bit stiff, if I may use the expression, because our first resolution, moved by Sir Henry Wrixon, was, that provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity, including the making of a differential tariff with Great Britain, or with one another. That was carried. Then this one says:—"That pending the assent of the mother country to such an arrangement in which she shall be included, it is desirable that the colonies of Great Britain, or such of them as may be disposed to accede to this view, take immediate steps," and so on. The language seems a little bit stronger perhaps than Mr. Foster means.

HON. MR. FOSTER.—That is a fair criticism. That criticism is, that no step could be taken until authority was given.

SIR HENRY WRIXON.—It assumes legislation will necessarily be passed.

LORD JERSEY.—But it goes beyond that.

HON. MR. FOSTER.—That is quite true. That is an excellent criticism. I have assumed that, but that must not be assumed in the resolution. I would like to give the figures for 1892. Lord Jersey has given them for 1891. I will give them as regards imports and exports both. The total imports in 1892 was £424,000,000 in round numbers; the foreign, £326,000,000; the British Colonies, £98,000,000; the total exports, £291,000,000; the foreign countries, £210,000,000; British possessions, £81,000,000. It is a little less than a quarter as to imports, and a little less than a third as to exports.

INTRODUCTION OF MR. HOFMEYR.

HON. JAN HENDRICK HOFMEYR was introduced to the conference, as one of the delegates from the Cape of Good Hope, and was given his place in the conference.

TRADE WITHIN THE EMPIRE.—*Continued.*

HON. MR. FRASER.—I listened with rapture to the speech of Hon. Mr. Foster, and I am sorry I was not able to speak immediately, because even, in this short time, my memory has partly failed me. After reading this notice of motion carefully through, I am in most hearty sympathy with it, except perhaps the latter sentence, "and further resolved," etc. There may be some further modification made in respect of that. If so, I am quite certain the Hon. Mr. Foster will not object.

HON. MR. FOSTER.—Certainly not.

HON. MR. FRASER.—If there is anything in the latter part of it which is of a dictatorial nature, I do not say it is so, but even if there is anything in it which may be looked upon as of that nature, I would desire it should be modified, because, I would not, for a moment dream of putting a single word in a motion like this that would have

anything of the character suggested. We have come here from our colony with the greatest desire and wish, not only of the Parliament, but of the colonists assembled at a public meeting, and expressed, that we should in every sense promote trade with the Dominion of Canada. That is the object of our mission; and, as this is in that direction I fail to see what objection there can be to it. It may be suggested, of course, that by promoting trade with Canada we may lessen the trade with Great Britain. We, of course, are naturally anxious to increase the trade with the mother country; we are anxious to increase your trade with Australia, and lessen the trade of foreign countries with Australia. We have a certain volume of trade. We are going in the direction of our wishes by taking any step that will increase our trade with each other, or with the mother country, or which will lessen the trade with foreign countries. The steamships running to Australia are subsidized by Germany, and subsidized by France, clearly showing that they are anxious to force a trade with Australia. They have a very large trade with Australia, and, if the mother country, and the colonies, can, by a slight differential tariff, assist each other, it will result in good. Of course, I do not know that the mother country would entertain it. It is no harm to make the proposition; and, if it is not acceptable to the mother country, of course she would not entertain it, and if she did not entertain it, we would not be any the less satisfied on that account. Of course she has a perfect right to look to her own trade relations. If she entered into an arrangement like that with the colonies, whether it would lessen her trade with other countries, is a matter she must consider. That is a question for the mother country. If the colonies cannot trade with each other on mutually advantageous terms, there is no danger of any arrangement being arrived at. It must be to their mutual advantage, otherwise they cannot come to terms, unless one colony is so very, very clever as to get an advantage, and I suppose that each colony, and certainly the mother country, can be relied upon to look after their own interests. I do not think that any better step could be taken for the unity of the Empire, or for the advantage of the Empire, than a step in this direction, viz., that the trade between Australia and Canada should be greatly increased. What is the use of subsidizing steamships, unless we are going to take some other steps to assist in that direction? We naturally expect that trade will follow if we subsidize steamships, and if we construct cable lines, and we have a mandate from the Chamber of Commerce, and from Parliament, and from the people of Victoria to assist in that direction, and therefore, if we do not pass this resolution, or agree to it, I do not think we are acting in the direction that our duty should dictate to us. I know that the Australian colonies have not yet passed a free trade customs tariff with each other, but all the business people admit, nay more, the electors admit, that it is a most desirable thing to do. I do not see that there is very much difference between doing that and extending it in the direction of trade with Canada, or the Cape of Good Hope, because the trade with Canada and Australia is very limited indeed now, and it will not disarrange matters to give it a clear footing. Of course I can quite see that before we enter into trade relations with Great Britain we would have to consider our finances, because millions of our revenue is derivable from the import duties on goods from Great Britain, and, therefore, a question of revenue would come in; but, the question of revenue does not come in in discussing the question of trade between Canada and the other colonies. Moreover, if we do not encourage trade of this kind between the colonies, what hope is there of keeping alive this spirit that we so much try to encourage, that is, the spirit of friendship, and the wish to help each other

in times of national disaster or trouble. It is all very well to say we meet at the dining table, and in other ways, and that the sentimental feeling is naturally very strong; but, if there were no trade relations with the countries concerned I feel clear that in a very short time our sentimental speeches would be forgotten, and we would lapse into a condition of knowing very little about each other. It will not be so if we encourage trade, and if trade is developed. We would thereby strengthen all the ties that should be strengthened, and they will be permanent in every respect. It is no use to make a comparison. In a small way I can quite see that we might do a large business in many ways. Even in the line of paper. I visited the Eddy Company's mills the other day; they are perfectly surprising. When I asked them the price of their printing paper per pound, and compared it with the quality we are using in Australia, I was amazed at the cheapness of the production. Yet, I can quite understand it. You have water power here costing you little or nothing, even the water power brings the logs from the forest to the mill without great expense; then you have the very timber that the paper is made of at your very door; and, I should imagine that you would be able to defy almost any country in cheap production. We consume immensely of that product, and it is a product that runs into large figures. Australia is consuming an immense lot of it with the daily morning and evening papers. There is very large opening in that direction alone. Of course the difficulty would be the transportation. That may be done by sea from Montreal to the various colonies, and that difficulty could be overcome. In many other respects I see where a trade could be opened up. If trade was opened up, British steamships would be employed in that trade. Instead of foreign steamships being employed running from San Francisco to Australia, I would like to see the trade diverted from San Francisco to a Canadian port, to the St. Lawrence, or to Victoria, or Vancouver, or to any other Canadian point. The British flag should carry the produce that is now sent through the United States. I am quite sure, so far as I can read the opinion of the colonies, and especially our colony, I do not think there is anything in this motion that they would take exception to. Perhaps the latter clause: "Pending the assent of the mother country" might be worded so that it would not grate on the minds of the most sensitive in England, because I would wish that anything of that nature should be eliminated. With the exception of that, and one or two other little words, I heartily give the motion my support, and hope it will be adopted.

Hon. Mr. SUTTOR.—I think the gentleman who has just resumed his seat has rather discussed the broad question of encouraging trade relations between Canada and the Australian colonies rather than considered the proposal which has been submitted to us by the Hon. Mr. Foster. It seems to me there is a very broad and material distinction between that question and the question we are asked to consider in the resolutions submitted to us. I have read as carefully as I can these resolutions over and over again, with a view of seeing if I could not in any way alter the first interpretation I gave them, and I find, so far as my power of reading English will permit me, that the first meaning I gave to them is the one that still retains itself in my mind. The Hon. Mr. Fraser, who has just resumed his seat, says he takes no exception to the first resolution, leaving out of consideration for the time being the two preambles, if I may so describe them. If we come to the first resolution, the Hon. Mr. Fraser apparently takes no exception to that as submitted for our consideration by the Hon. Mr. Foster. But surely he must see, if he reads it in the same light as I do, that we are there expressing an opinion that England should reverse her whole national policy as regards

free trade, and that she should institute a discriminating tariff, allowing products to come from the colonies free, whilst, at the same time, she should impose a duty upon all goods sent into England from any foreign power.

Hon. Mr. PLAYFORD.—The resolution moved by Mr. Foster does not say all.

Hon. Mr. SUTTOR.—We must admit that we are inviting England here to establish a tariff which will put an end to her free trade policy, and allow the products or the goods coming from the different colonies to be admitted on more advantageous terms than those coming from foreign nations.

Hon. Mr. PLAYFORD.—Treat her own children a little bit better than she treats foreigners.

Hon. Mr. SUTTOR.—That implies or asks us to say that England must, at any rate, put a duty upon foreign goods coming into the Kingdom. I would like to ask gentlemen who come here representing the Australian colonies whether we are at this time prepared to commit ourselves to such an expression of opinion as that? I think we must at the same time consider, whilst we have this matter under discussion, that something more practical and practicable should be laid before us than this resolution that is now submitted. We know perfectly well, all of us, notwithstanding the expression of opinion that has been given by Lord Salisbury, and quoted by Hon. Mr. Foster this morning, that there is no very strong party in England, on either one side of the House or the other, that is prepared to change the fiscal policy of England at this present moment; and, without expressing any opinion of my own, I have heard many strong protectionists in the Australian colonies, and the same might apply to Canada, who argue and admit that if they were in England, having the feeling of Englishmen, they would be free traders rather than protectionists. The great distinction between the colonies and England is that we are all large producing centres, whilst England is a large manufacturing centre, and I have often heard protectionists say, if they were in England, and belonged to a great manufacturing centre, they would be free traders. I for one do not feel that I should be justified, under the circumstances, in voting for such a resolution as this. I think the proper course for this conference to adopt is to adhere, as far as possible, to practical ideas and positions. I do not think, for a moment, if we carried such a resolution as this, that any good could come of it. England is not prepared now, any more than she was two or three years ago, when the Dominion of Canada asked the same terms as are now appealed for and they were declined; things are no further advanced than they were then. Therefore, we would not advance our cause at all in inviting England to consider for a moment any such proposal as this, that she should discriminate as between the colonies and the foreign countries with whom she does business. We admit, all of us, that it is desirable to preserve the cordial relations which exist between England and the colonies, and if possible, to make those ties still stronger, but, is it likely, that by carrying such a resolution as this, which implies that England should altogether alter her fiscal policy, we should assist in that direction? As regards the second resolution proposed by Mr. Foster, it really says that, in the event of England declining to comply with our request, we should enter into a sort of zollverein among ourselves, placing all the colonies in a better position, as regards trade, than any other part of the world, and that would, of course, mean that England should be placed at a greater disadvantage than the rest of the Empire, if she declined to accede to this proposal we now make to her. I feel sure that she will decline. I feel that she will not agree to the proposal in the first resolution, and if she does not agree to that, as we may

conclude she will not, from the answer she has already given to this Dominion, what will be the position with regard to the second resolution, that we will endeavour, between ourselves, to enter into a commercial treaty with the rest of the Empire, excluding England, which will place England in a worse position than Canada, Australia, or the Cape, or all three of them. I think it is unfortunate that something of a more practical nature was not submitted to us than is contained in these resolutions, and I feel that I cannot pledge the government of the colony that I represent here, to any such proposition as I am invited to agree to by the Hon. Mr. Foster, and, therefore, if it comes to a vote, rather than commit my colony to such strong views I shall have to decline to vote, as the Hon. Mr. Playford has already done on another matter, on a question like this, which I think is quite beyond the scope of our inquiry. I think it is one that we should not now be required to express an opinion upon. I am quite prepared to listen to, and to give the most favourable consideration to any proposal of a practical nature that is likely to bring the trade of the Australian colonies and Canada more directly in unison than it is now, and, without going into detail, there are, undoubtedly, two or three large marketable raw products that we produce, and manufactured articles produced here, in which a very great and large trade might spring up; but, that is a mere matter of encouragement of trade, rather than great proposals to alter the fiscal policy of the imperial nation. Of course none of us, I think, came here expecting that Canada was going to forego, in our favour, what she calls her National Policy, or to give up protection in favour of intercolonial free trade; we did not expect it, we have not got it, but, the Hon. Mr. Foster has intimated to-day that he is quite prepared to go as far as 5 per cent in favour of the colonies, if they will reciprocate in some way.

The PRESIDENT.—He only gave that figure as an illustration of the principle he advocated.

Hon. Mr. SUTTOR.—Though it is an illustration, it shows clearly that Canada is not prepared nor has she stated that she is ready to open her ports to any goods that are now dutiable. Without going into detail I will remind the conference that one of the great articles of production in all the Australian colonies is wool, and we know that wool is absolutely free in Canada, and that trade merely requires to be encouraged, such as I hope may be the result of a mail service between Australia and Canada, so that we may induce the people of Canada to come down and buy the wool first hand, instead of as they do now, through the London or American markets. Then again, as already mentioned by Mr. Playford, and I myself have mentioned it, there is a great opening for trade in Australia for paper made of spruce wood. I think I am right in saying paper is admitted free of duty into the Australian colonies, at any rate it is free in New South Wales. Then again, we know that you produce here large quantities of cotton goods. In my colony all cotton goods, so long as not made into garments, are absolutely free, and therefore we are quite as ready to do business with Canada in those commodities, as I hope you are ready to do business with us in the matter of wool.

The PRESIDENT.—What did you say was absolutely free?

Hon. Mr. SUTTOR.—All cotton goods.

Hon. Mr. PLAYFORD.—I think they are free in all the colonies.

Hon. Mr. SUTTOR.—With regard to this resolution I have already said I do not see, in its present form, that I should be justified in committing my colony in respect to it.

Mr. LEE SMITH.—I think all of us who have listened to the address of the Hon. Mr. Foster must admit he has given a very lucid and clear statement of the position from his point of view, and he has very eloquently described the feeling which binds together Great Britain and her colonies, and he very properly, as I think, wound up by saying that those bonds would be more firmly cemented by paying more regard to the great question of the commercial relations between Great Britain and her colonies. I may say, sir, I quite agree with that view. On no account whatsoever must we do anything in this room which will in the slightest possible manner hamper Great Britain in her trade relations with the world at large. Great Britain is a free trade country, it must necessarily continue to be a free trade country if it is going to preserve that pre-eminent position which it already holds, and which I hope it always will hold in the commercial affairs of the world. Looking back to the time when Great Britain first acquired this great pre-eminence, we find that it was brought about by a combination of peculiar circumstances. First of all, the leading cause was the fact that all the manufacturing nations of Europe were exhausted through a long continuance of wars, and at the same time there occurred the introduction of the great motor which now moves machinery, that is the introduction of the power of steam. Those two factors combined with the wealth that Britain had already then in reserve, enabled Great Britain to take immense strides, and acquire a leading position in the commerce and industry of the world; and how has it continued to do that? It has continued to do that from 1830, 1845, and onwards by the maintenance of a free trade policy; steps taken to enable the great population of Britain to be employed in manufacturing raw products sent from all parts of the world. The Hon. Mr. Foster has referred to the change in the opinion of the British people as to the wisdom, or otherwise, of this policy. From my point of view, and from my reading, I think that all these efforts that are being made by the protectionists, by the fair traders, and so on, will really result in no good whatever; they are wrong in principle. For instance, as a matter of illustration, any effort made to preserve the rent of land in England by any of the artificial measures which have been prompted by the Hon. Mr. Chaplin, and others, for the purpose of associating for buying goods of each other, and the several other ways they have proposed to preserve the position of the average landlord, will be utterly futile. The real reason why rents have gone down in Britain is this: In Britain there are three classes of people supported off land. That was quite possible so long as there was a limited area of land outside of Great Britain available for the production of the increased supply of wheat necessary for the consumption of the world. But, now, you have brought in a large area of virgin land, a continually enlarging area of virgin land, suitable for the production of wheat. You have, by the aid of science and means of quick communication, both by letter and telegraph and by steamers carrying immense cargoes, cheaply brought those within a very short distance, so to speak, of England, and, when you consider that the person who produces that wheat is himself the whole of those three classes, landlord, tenant farmer and labourer, the British landlord cannot expect that his lands will give to him and to the tenant the same proportion of return that they have done in the past, and I do not think any efforts of an artificial nature, will interfere with the condition of things as they now exist, and as I have endeavoured to point out. Therefore, I believe that the policy of Great Britain lies immediately in the direction of continuing free trade. If you have a protection in any one raw product, in England what

will you do? You limit the manufacturing power of Great Britain, in comparison with other countries, and reduce the area of the manufacture, and consequently the employment of labour, which is the great question we have to deal with at the present time. So that in anything we may do here I believe that we must take as the leading principle this, that you must in no way hamper Great Britain; and I do not see how, in the Hon. Mr. Foster's resolution, we can avoid putting Great Britain at a disadvantage. I hope I am reading it properly. That is to say this:—We may give Great Britain advantages here, but we cannot ask Great Britain in return to place her customs duties in such a position as to give us a better position than other nations. I do not think that that is possible. For instance, there is not a single raw product I believe but what Great Britain allows to come into her ports quite free. You do not do so here. We do not do so in many of the colonies, I believe. Therefore, I think the first move we should make is in the direction of reducing the duties upon raw products. That is the fundamental principle on which we should go, leaving manufactures to be dealt with hereafter. Now, as an illustration, let me point out that I find that merino wool is here free; there is no duty in Canada on merino wool, but there is a duty of 3 cents per pound on Leicester and on other wools. Now, my country is a Leicester and Lincoln wool-producing country. There is an anomaly at once. Why should merino wool be allowed to come in free, and not Leicester and other wools which the colony of New Zealand produces? Then, again, I understand the Hon. Mr. Foster suggests there should be a differential allowance of, say, 5 per cent.

Hon. Mr. FOSTER.—I was just illustrating. It might be 25.

Mr. LEE SMITH.—Five per cent upon 3 cents per pound would be inappreciable, because it would not touch that great market of London where there are opportunities of getting the highest prices by reason of the fact that it is the world's market, and buyers go there from all parts of the world. I hope this resolution will not pass. I hope we will affirm the principle that nothing must be done to interfere with Great Britain. We can ask Great Britain to do nothing whatsoever. She has already done what she can do. She has thrown her ports open to the world on raw products, and to help us, she would have to put a duty upon those, and that is impossible. Her answer to us would be: "You cannot give us the kind or quantity we want." They would not stand a duty on wheat, the same as to wool, and every other commodity. As to manufactured goods, we might make a discrimination in this class on wools here, you might make it 20 or 25 per cent on all products from Great Britain to any of the colonies, but Great Britain could not give us anything in return. We would be making Great Britain a present of so much lessening duty, and that I might be prepared to do, but you go further than that, and you put Great Britain in such a position that she will have to distinctly refuse, or if she does it, it will be very much to the disadvantage of her people.

Sir HENRY WRIXON.—Mr. Chairman, I will vote for the motion. I do not exactly understand what the difficulties are which some of my friends have expressed. I am beginning to question as to whether there is not some confusion in my own mind; probably there is. Either I am confused, or my friends are confused, because I do not exactly know what the difficulty is. The whole of this motion is merely an expression of the sense of the meeting. My friend has spoken of binding Great Britain. The whole thing only amounts to an expression of a hope. We are a peaceable collection of gentle-

men, we may express any opinions we like for what they are worth, without any one talking about cornering Great Britain.

Mr. LEE SMITH.—I did not say "cornering."

Sir HENRY WRIXON.—I am merely expressing my own idea. The whole thing is merely the expression of a pious wish, and I think eminently a wise wish. The preamble, no human being can object to. As to the last paragraph, no member of this congress who has voted for the resolution that has been carried can object to it, because by the first resolution we carried we deprecated in our speeches and resolution the disability we were under of entering into arrangements between ourselves. We loudly complained of that, and raised our voices on high to the imperial authorities to enable us to enter into arrangements between ourselves. How any man who voted for that can turn around and say it is improper to express a wish that this arrangement shall go on after they authorize it, I cannot understand. Therefore, as regards the preamble, and the third paragraph, I cannot understand what the difficulty is. As regards the middle one, I quite admit if we were in any way to dictate to Great Britain, it would be ridiculous. We are only expressing a hope that Great Britain may see her way to come to a certain arrangement. We have nothing more to do; we have no power in the matter; it only rests with Great Britain to deal with the important and difficult problems which are therein involved. We cannot force a conclusion in any way. I certainly express the hope, and I shall be delighted if Great Britain can see her way to enter into such an arrangement between the colonies and herself. It will be a grand thing if it can be done, and no human being can say anything against our expressing a wish that it should be done. I wish for it, and I hope for it. As to when or how it will come about, I do not know. That is in the hands of the higher political powers of Great Britain. Of course it opens up an interesting question as to Great Britain herself, which it is not necessary for us to enter into. It is a most complicated and interesting problem. There can be no doubt whatever that the prognostications which were made when the great free trade platform of England was adopted, have not been fulfilled. It was confidently stated at the time that it would not lead to any diminution in the culture of the land, but, on the contrary, the culture of the land would go on as well, or better than before. We all know that the land of England is going out of cultivation. Whether the English Government may find it necessary to reconsider the matter, as I say, I could not venture to express an opinion. All I can say is, there is no doubt whatever that part of the prognostications of the free trade element have become worthless. I wish to remind the conference that we are merely expressing the wish and hope that Great Britain may be able to enter into some arrangement with the numerous children of her family, if she finds herself able to do so, and we will be delighted to join in. Then, the last resolution is only adopting, in a practical shape, what we have already asked power to do.

Hon. Mr. PLAYFORD.—It appears to me, sir, that this is one of those resolutions we may very well pass. I do not understand that this is beyond the scope of our present inquiry. We are here in conference for the purpose of considering the trade relations of the whole Empire, as I understand it, not merely the trade relations between the parts outside the mother country. I contend that we have a perfect right to express our own opinions as to what course should be adopted to give effect to the statements contained in the first paragraph of this resolution. My honourable friend Mr. Fitzgerald

says that he approved of the first part, he contends that everybody must agree with it. I ask him, how can we give practical effect to it, or how can practical effect be given to our aspirations contained in this first resolution, unless we carry the others that succeed it? What does it say? "The stability and progress of the British Empire can be best assured by drawing continually closer the bands that unite the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare." Now we have got to give effect to the idea of practical sympathy and co-operation, and how can we do it? Is there any way to do it except in the way suggested in the resolutions that follow? I admit, with the member that represents New South Wales, Hon. Mr. Suttor, that we are undoubtedly expressing a wish, which, if England gives effect to will be a reversal of the free trade policy that she has had for so many years past. But, I think the time has arrived when the eyes of England are being opened to the fact that her free trade policy is not going to produce the results which were so fondly anticipated it would produce when it was first brought into existence. Changed conditions have altered the case altogether. She is not now, as she was at the time of the great exhibition in 1850, the work-shop of the world. Other nations have learned from her, other peoples have copied her, the machinery that she has got they have got, and, in addition to that, they have something else which she has not got, they have cheaper labour, and as a result of that cheaper labour they are gradually forging ahead with their manufactures, they are gradually taking the trade which ought to belong to the mother country, and competing with her in her outside markets, and actually importing manufactured material into Great Britain itself. Having been connected for so many years with the colony of South Australia—it is only a small colony, but I dare say I can judge that the same processes are going on in the other parts of the world—I have had special opportunities of being able to judge of what is taking place with us. Year by year larger importations of foreign manufactured goods are coming into our country. I will only mention one instance to place the matter clearly before the members of this conference. A year or so ago we made a contract for a large number of locomotive engines, 92 of them, many of them of very large power, and therefore, entailing a great deal of work. The contractor for those engines naturally went about to see where he could obtain the material cheapest for the construction of those engines. What was the result? That he found that the bed plates of the engine, that the boiler plates of the engine, that the wheel centres, the tires, the tubings, in fact there was only one article he required in the construction that he could get cheaper than at Krupp's manufactory, the great German manufacturer of cannon. Krupp said, All right, if I am going to give you the other things cheaper you must take all from me; so that in fact the whole of the material for the 92 engines is coming from that manufactory, simply because he can make it cheaper than they can make it in the mother country. He makes it cheaper simply because he has wages at a lower rate than in the mother country. That is not all. If you go to the other colonies you will find that the same maker is supplying to Melbourne, and is supplying Sydney. I do not know whether he supplies Queensland, but I know these two places have purchased largely from him. Our government, for the necessary repairs to our lines, are also purchasing largely from him simply because he supplies these materials at a lower rate, and we, who have not merely a sympathy, but a practical sympathy with the mother country, would rather get our material from the mother country, even if we paid a little more for

it, than that we should be dependent upon a foreign country for the goods we required. I think the time will very soon come when England's eyes will be opened to the fact that she will have to treat her colonies like France treats hers, that she will have to treat her colonies and give them advantages over foreign nations, just like France treats her outside colonies, and that she will find unless she does that her trade will gradually diminish, and that she will not be able to command the trade she has been doing in the past. I contend that Mr. Foster the mover of this motion, in his very able address, has proved all the positions he has taken up. At first, when I heard him read the proposal I was inclined to think that perhaps it was a subject we had better not deal with, but having quietly read it through when it was put on the notice paper, there is nothing, so far as I can see, that needs at all to be altered. We are expressing an opinion to the mother country, that she should treat her own colonies a little better than she treats foreign nations, and that she ought to give them some slight advantage, the colonies at the same time being willing to reciprocate, and give her an advantage over foreign countries. It will be a benefit that will be appreciated on both sides, it will be an advantage to all of us, and I contend it will be a very considerable advantage to the mother country in the long run, as well as to the colonies. In time of war, as has been pointed out by the Hon. Mr. Foster, would it not be a great deal better for the mother country and the Empire in fact, to be self-sustaining, and not required to go outside its bounds for its own food, or for anything that it requires? If England does encourage the production of even grain, by putting a small duty upon grain coming from foreign ports, if she does encourage that production within the bounds of her own Empire, so much the better it will be for her, possibly, in some time of distress when she is at war with some great foreign power who at the present moment supplies her so largely with that necessary of life. Although, for a short time, the people may have to pay a trifle more, and it will be a very trifle, it will be better for them to do that, than at some future time find that they cannot get the food that they require in consequence of a war that may be raging at the time. I feel certain, in my own mind, that I am expressing the views of my own government in this matter. In our colony we have a protective tariff. We feel that so far as we are concerned, as part of the Empire, that we ought to do all we possibly can, not only to help ourselves, but also to help other parts of the Empire, and when I have been in office as Minister of Public Works, I have shown my practical sympathy to Great Britain in the case where Belgian manufacturers offered to supply us with a considerable quantity of rails at a lower price than Great Britain. I recommended my colleagues to give the contract to Great Britain, and pay the higher price, in preference to giving it to Belgium. We have been more than sympathetic, we have shown our consideration by practice. I will also refer to the colony of Victoria. At the present time that colony has shown her sympathy towards parts of the Empire where sugar-cane is grown, and where sugar is manufactured as against the foreign importation of beet-root sugar. They have a special tariff for the purpose of excluding that particular kind from their market. Personally I tried it when I was treasurer, when we were passing a tariff in our colony, I proposed the same thing with reference to South Australia, and I lost it only by a vote of one. I guarantee to-day, if tried, it would be carried by a large majority. I have great pleasure in supporting the motion.

Lord JERSEY.—Of course it is understood that upon none of the resolutions of the conference am I in a position to give a vote, and it would be wrong on my part to enter

into a discussion on free trade or protection. I should like to point out to the conference that though it is entirely within its power to record its belief as to the practicable possibility of the first resolution, yet I think that it would be well to consider before that resolution is passed as to whether there are not some difficulties in the way. I mentioned just now with regard to the trade of Great Britain that more than three-fourths of it was, so to speak, trade outside the Empire.

Hon. Mr. PLAYFORD.—We are not proposing to touch that, we are only proposing that she should give a little advantage to her colonies.

Lord JERSEY.—Quite so, but, if Great Britain is called upon to break up the whole of her commercial system, there is no doubt whatever that that trade also will undergo an alteration of some kind.

Hon. Mr. PLAYFORD.—She would not do it all at once.

Lord JERSEY.—England would have to consider what effect any great change in her fiscal policy would have on this enormous trade, this over 76 per cent of trade which she carries on with the world; and, as has been pointed out by the figures, a good deal of that trade consists of articles which are manufactured from the raw products of the colonies. The Honourable Mr. Playford has very truly said that there is a great disposition on the part of the Australian colonies, whenever they possibly can, to deal with the mother country, and I find from the Honourable Mr. Mackenzie Bowell's invaluable book that in 1891, in South Australia the import trade from the United Kingdom was £2,876,000; from Germany, where these carriages come from, it was only £322,000. Sir Charles Mills has handed me a paper which I will ask you to allow me to read:—

“It may be useful to recall the figures of the trade of the United Kingdom as summarized by Sir Rawson Rawson for the year 1890, (and they are essentially the same for 1893)—and to avoid the use of totals, which convey very little to the mind, we may avail ourselves of the figures representing the percentage proportions. Adopting this method, we find that the colonies—excluding India, the Straits settlements, and Hong-Kong—represent 15.1% of the total trade of the United Kingdom, of which 2.7 represents the trade with North America, 7.5 the trade with Australasia, 2.2 the trade with South Africa (Cape of Good Hope and Natal) and 2.7 that with all our other colonies.”

I mention this, not to take any part in the debate, but to urge the conference to consider carefully as to whether they are so well satisfied that there is no practical difficulty in this great change which is proposed the mother country should make.

Hon. Mr. THYNNE.—Almost every other member has spoken before I have addressed myself to this resolution, because I have felt considerable difficulty in seeing my way to accepting it. I do not think the difficulties which I have seen have been in any way removed by the speeches of those who have expressed themselves favourably to this resolution. This is a resolution which, so far as I can see, is not likely to be productive of any immediate or very practical consequences. No one in this room will question the accuracy of the sentiments contained in the two portions of the preamble, but it is assumed by some of the speakers that because the preamble is true and correct that the resolutions are also true and correct, but I do not see the sequence between, say, the first resolution, and the two statements in the preamble. We all agree that the practical sympathy and co-operation and unity between the different parts of the Empire will be beneficial all around, but that does not prove the statement in this resolution that it is advisable, and also practically possible to make the customs arrangement mentioned in this resolution. What is the customs arrangement mentioned in this resolution? It is put, in a general way, as an arrangement by which the trade within the Empire is to be placed on a more favourable footing than that which is carried on with foreign countries. That is nothing, to my mind, more or less

than adopting the French system of having a minimum and a maximum tariff. If it is to be carried out it involves the proposition that Great Britain is to put a tariff on those goods in which we deal with her, and on which she also deals with other parts of the world. The figures which Lord Jersey has been good enough to give us show that the whole of the colonial trade with Great Britain is only 15 per cent of the whole of her trade. If we delegates, representing the colonies, combine in making a request to the people of Great Britain to put on protective duties, or revenue duties, whichever you may call them, for the sake of pleasing 15 per cent of her customers, I think we are asking the mother country to do a thing we ought not to ask her to do. Apart from that, sir, we have to look at this question from two points of view. I have referred to the point of view of Great Britain. Is it a practicable thing to ask them to put on duties, and to so alter their fiscal system as to let our goods going into Great Britain have a preference over the goods of other countries? At present, it certainly is not. If we may forecast what may come in the course of a long future, it is another matter, and it is a matter which I think this conference ought to avoid dealing with as much as possible. I agree with my honourable friend Mr. Suttor in saying that this conference ought to confine itself to matters that are likely to produce early and practical results, and not allow ourselves to be drawn away into discussions which are more or less half-hearted, inasmuch as there is no practical responsibility attached to the opinions which are expressed in connection with it. With regard to the second part of the resolution, I am asked, as one of the delegates here, to express an opinion, and to commit my colleagues and government to an opinion that our colony should, on its part, so alter its fiscal system as to reduce duties, to discriminate between goods of other British possessions, and foreign goods; to alter our present system. All I can say upon that subject, Mr. President, is this. That question has never been formally considered by my colleagues, and I am not here to-day prepared, either to express an opinion of my own, nor to commit my colony, in the slightest degree, to any opinion upon the subject. If I did so, it may be it would not be acceptable to our Parliament, and it would be a very unfortunate thing, indeed, for the future of conferences, if when a proposal to call a conference together was made, each of the governments would say, Well, what are we going to be drawn into at this conference, what is going to be the result of it? At such and such a conference opinions were expressed which have led to very disagreeable results, and we are unwilling to expose ourselves to those risks.

Hon. Mr. PLAYFORD.—Or such of them as may be disposed. It is very carefully worded.

Hon. Mr. SUTTOR.—We are only saying that we are not disposed.

Hon. Mr. THYNNE.—I think the Hon. Mr. Suttor and myself both take the same grounds. I am not disposed to commit my colleagues.

Hon. Mr. PLAYFORD.—You do not commit yourself.

Hon. Mr. THYNNE.—I was proceeding to comment upon the second resolution. I was not referring to what might be called the mandatory tone, which the words no doubt contain.

Hon. Mr. FOSTER.—Where do they bear that meaning? That is a frightful word to use.

Hon. Mr. THYNNE.—In a sense it might bear that construction, but I am sure it is not intended. If the second part of this second resolution were so modified and altered

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so as to be a simple common corollary to the resolution which we passed the other day, I should be perfectly prepared to support it. The resolution we passed a few days ago, to enter into an agreement of commercial reciprocity, and so on, I think that would be a very wise and proper thing, if we recommended our several governments to consider the best mode in which they could, without delay, carry into effect this agreement of commercial reciprocity. But, to go further, and express general propositions which cannot, so far as we can see, be followed, within any reasonably near period in the future, by any practical results, I think is beyond the function of the conference, and I think it would be unwise for the conference to attempt to do so. In the present form of the resolutions, I regret I cannot give them my support, or in any way commit my colony.

SIR ADOLPHE CARON—Mr. Chairman—After the very interesting speeches which have been made on this very important question, I feel that it is hardly necessary for me to rise and take up the time of the conference. However, I do it merely to explain, or to explain away, as I understand them, some of the objections which have struck some of the gentlemen who have spoken with reference to the motion put forward by my colleague and friend, the Minister of Finance. Now, sir, I can say here, that I, for one, would be the last man before this conference, on the floor of Parliament, or in any other capacity, who would consent to be a party to any expression of opinion that could be looked upon as dictating to Great Britain, or interfering with the absolute liberty which, I think, not only she is entitled to, but which she succeeds in handling with such good results to the colonies, and to the whole Empire. I would be the very last man to stand up to defend a course which could be looked upon as dictating to Great Britain, much less, as expressed by my honourable friend Mr. Thynne that could be looked upon in the light of a threat against her. But, sir, I fail to see where the objection comes in, and I fail to see where one can trace any threat in the resolution of my honourable friend Mr. Foster. We have all agreed, and there is no dissenting voice upon the basis of the motion. My hon. friend Mr. Foster has expressed what we all feel, that the stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the mother country, and by the continuous growth of the practical sympathy and co-operation. To that portion of the motion there is no dissenting voice, we are all agreed. Hence, it is practically wasting the time of the conference to discuss it further. The second clause of that motion, I think, has been accepted without objection from any honourable gentleman. The last, and the only one which seems to have caused some doubt in the minds of some of the honourable gentlemen who have taken part in this discussion, is the last portion. To that one, and to that alone, I shall address myself, and I say, in reading it as attentively as it is possible for me to read it, I fail again to find that in that clause there is the least attempt at dictation, or the least symptom of a threat against Great Britain. Is it not the theory upon which the great self-governing colonies of the Empire all through our history, is it not, I say, the theory upon which we have been acting, that we wish, as much as possible, to be considered as the children of the great Empire, and, is it unnatural for us, as such, to believe that some discrimination should be made, or can be made, in favour of those colonies? We are contributing within our powers all we can possibly contribute towards the support of the Empire; for instance, the colony which I have the honour to represent here, has put its hands in its pocket; we have undertaken to build up great and important

public works, certainly in the interests of our colony, but we had also in our mind's eye the great and powerful influence which such works would have upon the Empire as a whole ; and, I think it will be admitted, that when we built the Canadian Pacific Railway we were contributing largely towards the strength of the Empire to which we are so proud to belong. Before submitting anything to the consideration of the conference, my honourable friend immediately begins by leaving everything in *statu quo* until the mother country has an opportunity of expressing her views, and of saying whether or not she considers it should be done. I say also, that I do not see how voting in favour of this resolution can compromise or commit any of the governments or colonies represented to-day around this board, because it is mentioned here, if it had been left out I could understand a strong discussion taking place, that before anything would be carried out the colonies would have a right to express their view, and to accept or reject it. Consequently, if it be so, that the motion, or the views embodied in the motion of my honourable friend cannot be applied without the concurrence of the several colonies, it makes it so absolutely safe that I do not see how any gentleman can, by voting, commit his government. Moreover, I am voicing, not only my own opinion, but I think that of my colleagues, when I say that this motion, however worded it is now, is open to any change that might be suggested by honourable gentlemen, provided of course the nature of the motion is not completely destroyed. I do not suppose that my honourable friend is wedded to the verbiage of this motion, and if there is anything that the honourable gentlemen consider necessary to suggest, I have no manner of doubt that sitting around this board, all anxious to do everything we can to improve, if possible, the excellent relations which exist between the colonies and the mother country, it ought to be easy for us to arrive at a conclusion that will be satisfactory to the members of the conference, and that will be fraught with good results to the colonies and to the Empire.

Hon. Mr. HOFMEYER.—I regret that, through ill-health, I have been unable to be here during the eight days you have been in session. I regret, moreover, that previous to appearing this afternoon, I was utterly unacquainted with the course of procedure, or the matter under consideration. I regret it all the more, because the language in which I have to address you, is not that which I am in the habit of using in my ordinary domestic intercourse, so that in this respect I labour under disadvantage as compared with the other members of the conference. I can say this, that the motion now under discussion, regarded in the abstract, has my thorough and complete sympathy, but yet, in its practical application, I am afraid there are difficulties which will preclude me from voting in favour of it. The motion, as it stands there, means this, that the colonies, one and all, are prepared, at once, to enter into a Customs Union, or something very analogous to it, with one another, to the exclusion of all foreign territory. I believe that the inhabitants of the Cape Colony are not able to do it. The Cape Colony is so bound up with the South African Customs Union, which has at least one outside member, that this matter would require very serious consideration. The one outside member I refer to is the Orange Free State, and in South Africa, we are most anxious, not only the Dutch party, but I may say the British, or Imperial, or English party, not only to retain the Free State but also to get another foreign State (the S. A. Republic) to join that Customs Union also. If we were to vote for this resolution I would practically vote in favour of the expulsion of the Orange Free State from our Customs Union. I know that a step of this nature would be most unpopular in South Africa, it would not be

indorsed by the Cape Government, nor by the Cape Parliament or people. Therefore, for this reason I am not prepared to vote for it. I think it is highly necessary for the stability of the Empire, I can almost say for its existence, that a closer connection should be established, from a customs tariff point of view, between the United Kingdom and the different parts of the British Empire. I believe that the need of such closer connection is felt in various parts of the British Empire. I believe if the United Kingdom itself does not, within a limited number of years, come forward and say: "We are prepared to enter into such closer connection with our colonies; we are prepared to take goods from our own colonies under more favourable terms than from foreign countries," you will find the colonies will, for the sake of material benefits, turn to France, and the United States, and other powers, to obtain advantages of trade which they cannot get within the British Empire. I spoke at great length on this subject at the Colonial Conference, in London, in 1887, and I think my views are pretty well known in Canada. I believe in going a little further—that something more should be done for the defences of the Empire by the various colonies. But how about the sinews of war? I am afraid if you are going to depend on subsidies, the sinews of war will not be provided by the colonies to such an extent as is necessary. You will have to depend upon a tax to be borne by the whole Empire. And what tax would be popular? None, except such as conveyed to the minds of the colonies and of the Empire, the impression that while they are paying the tax, they are at the same time benefiting themselves in the markets of the Empire. Therefore, it was that in London in 1887, I proposed that over and above the various customs tariffs of the various colonies of the British Empire there should be an additional tax levied on foreign importations from abroad, and that the proceeds of such a tax should be used for imperial defence purposes. On the matter of cable communication I am a day late. I find that our cable communications, regarded from the defence point of view, are utterly ridiculous and absurd. If a naval war were to break out to-morrow with some power like France, or with almost any European naval power, the Cape Colony, for instance, would at once find itself cut off from all cable communication with the rest of the British Empire. British fleets returning from the East touching at the Cape of Good Hope at Table Bay for information as to what had occurred abroad, in the course of the war, would get no information whatever, because it so happens, that although we have cable communication with Europe both by the east and west coasts, each of these cables is a shallow water cable and touches the territories of European powers at half a dozen places, and it stands to reason that such cables would be cut and broken or blocked at the outbreak of a war. Even if they were not taken up or cut, the European powers at war with Britain would not be so kind as to pass intelligence to the British admirals and generals abroad. So much for the Cape. And Australia is similarly situated. If a war were to break out to-morrow their cable communication as it is at present would be cut off at once. To a great extent their cable communication with Europe is a very shallow water one and touching the territories of the various European powers at several points. Of course the conference has to some extent dealt with this Australian difficulty by passing a resolution in favour of the deep sea Pacific cable, a resolution for which I certainly would have voted if I had been present. What we at the Cape require, what the Empire requires, is a deep sea cable taking in Ascension, St. Helena and the Mauritius. Such a deep sea cable would probably not be a paying cable from a commercial point of view. There

would be a short fall on working such a cable, and that short fall would have to be made good. My idea was that such a short fall could be made good, as I proposed in London, out of a tax on foreign goods imported into the Empire from abroad. Taking all these points into consideration, I am most strongly in favour of discriminating against foreign importations; but, Mr. Chairman, at the same time, I am afraid that the matter is not one that can be carried into immediate effect. I believe, and I am sorry to believe — if my belief is groundless Lord Jersey will correct me — that Her Majesty's Government and Her Majesty's Parliament are not prepared to favourably entertain a differential tariff in favour of the colonies. Well, Mr. Chairman, I have been going somewhat beyond the immediate resolution before you. I was not here at the opening, and probably I have repeated what has been said before. If I have done so, I crave your pardon. I cannot vote for the resolution as it stands, but I do not care to vote against the resolution as it stands. Therefore, I intend taking refuge in an amendment—an amendment which, if it serves no other purpose, will salve my own conscience. My amendment reads thus :—

That this conference, in view of the resolution on commercial reciprocity unanimously adopted on the 30th June, deems it desirable for the present to leave the practical initiation of reciprocal customs arrangements to separate agreements between the colonies and Great Britain, or between any of them.

If Mr. Foster presses his resolution as put before the conference, I think it will not be carried by a strong majority. The unanimity with which the resolution of the 30th of June was carried would be broken, and it would not carry conviction to the mind of the outside world as to the unanimity of the colonies on this point. I, therefore, deem it expedient that we should be satisfied with half a loaf, and that this amendment should be accepted instead of the motion as it stands.

SIR HENRY DEVILLIERS seconded the resolution.

HON. MR. FOSTER.—Before it comes to a vote I am going to propose some alterations in my motion.

THE PRESIDENT.—There is now before the chair the original motion and Mr. Hofmeyr's amendment.

HON. MR. FITZGERALD.—The members of the conference are anxious to hear how Mr. Foster regards this amendment.

HON. MR. FOSTER.—I propose, if the conference will allow me, to say a few words at the close of the debate, as I suppose the mover of the motion has a right to meet some of the objections, which I think can be removed. In the meantime I would like to say that I will make some verbal alterations in my motion. In the second resolution one of my friends here has said that he finds it difficult to think that it is a practical possibility. Maybe I am asking the conference to go too far if they are asked to affirm their belief in the practical possibility. I do not want to burden the motion, so I propose to strike out after the words "advisability" the words "and practical possibility," thus making it read that this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries. That is quite strong enough and it will take away the one objection of Mr. Thynne. Then, in the second paragraph, the criticism of Lord Jersey is perfectly apt. I stated in my address I took it for granted they would give us the power we ask, and it would be well not to put that in. I ask

Lord Jersey how it would do to put in after the word "view" or "with the concurrence of the British Government," etc.

Sir HENRY WRIXON.—"Or when empowered so to do."

Hon. Mr. FOSTER.—That may be better. After the word "view" insert the words "when empowered so to do." That takes away the objection that we are anticipating power which had not been granted to us. Mr. Fitzgerald objects to the words in the first part of the second resolution, "that pending the assent of the mother country to such an arrangement in which she shall be included," and thinks it is advisable to strike that out. My idea is this: We, in Canada, have not the least doubt—we have grown up with the idea—that Great Britain will consent, and I am rather surprised that it is not the opinion all round. I believe there are practical difficulties in the way, and it was to cover that that we should not wait and do nothing until Great Britain came to that frame of mind that she should allow us some advantage—but that until she can see her way to do so, we would go on and do something that was practically possible amongst ourselves. I cannot see that this is really objectionable.

Hon. Mr. FITZGERALD.—If the words "when empowered so to do" are inserted, surely they render the other words unnecessary, because "when empowered so to do" involves the fact that England has consented to give you what is required.

Hon. Mr. FOSTER.—"Pending the assent of the mother country"—the assent of the mother country is the assent to enter into a customs arrangement with all the other colonies on mutually favourable terms. It does not refer to the other point of the power we ask her to give us.

Hon. Mr. FITZGERALD.—"Pending the assent of the mother country."—I did not understand what Mr. Foster's intention was. Others may put the same interpretation on the words which I have put on them. What is the objection to the words being left out? If England did not come in, it will then be quite possible for the conference to go on this basis.

Hon. Mr. SUTTOR.—There are two distinct stipulations. I would like to see these words excised. I do not see the necessity for them at all.

Hon. Mr. FRASER.—We have come up all the way from Australia to meet Canada with a view of increasing our trade with Canada. The mother country has not only assented to our mission, but has sent a representative to assist us in all our deliberations, and I do not see the necessity for toning down the words.

Hon. Mr. FOSTER.—I want to explain to Mr. Fitzgerald why I think these words are necessary. There are two propositions: one is that we shall have a large customs union taking in the Empire, and the other is, if we can not get that, until we can get it, we content ourselves with a smaller one, if possible. If you do not put the words in you lose the sequence between the two ideas. If the conference thinks that the sequence would not be lost and that it would be equally explicit without them, I would be glad to assent to Mr. Fitzgerald's views.

Hon. Mr. FITZGERALD.—How would it do to say: "If the Government of Great Britain declined to be included in such arrangement, it was desirable, etc."

Hon. Mr. FOSTER.—I attach a good deal of importance to the idea in the first resolution.

Hon. Mr. FORREST.—Might I ask Mr. Foster a question? I will just read the resolution that we arrived at the first day:

That provision should be made by imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity, including power of making differential tariffs with Great Britain or with one another.

The question I would like to ask is this—How much further does this go than that resolution?

Hon. Mr. FOSTER.—To my mind it goes just the essential step further. That resolution asks that we shall have power, and this resolution affirms that we ought to exercise that power when we get it. It just goes that step further.

Hon. Mr. THYNNE.—There are two resolutions and two preambles, and the first resolution goes beyond that. It seems to me that this resolution goes beyond and opens up the wider question.

Hon. Mr. FORREST.—I would like to make a further remark with regard to the opening remarks of Mr. Foster. I must say that with most of them I have great sympathy—speaking for myself personally—particularly with respect to what he said about the possibility of the development of the Empire. This development is coming as certain as I am here to-day, and I think in the future the colonies of Great Britain, the colony of Canada, the Cape, Australia and other British possessions will be capable of producing as much raw material and consuming just as much from England of her manufactures as the whole world is taking from her to-day. But that day is not now, and in the meantime, we have got to be very careful and take no steps that will interfere with England's trade. Now, if I might be allowed to say so, we are reasoning from the wrong premises. We are reasoning from the idea that England is losing her foreign trade. There is no statistical information to bear out that statement in any shape or form. During the last decade England's foreign trade as compared with the trade of the world has not decreased.

Sir CHARLES MILLS.—Yes, it has.

Hon. Mr. FORREST.—I say no. We are also arguing from the premises that the trade of England with her colonies has increased proportionately much faster than her foreign trade. This is not the case. During the last decade the relative proportion of the trade as between England and her colonies and between England and foreign countries has not increased. That is to say, that the proportion of increase of trade with the colonies has not been so great as the proportions of increase with the other parts of the world. We better make ourselves sure of the facts before we build up arguments.

The PRESIDENT.—Is the conference ready for the question?

Hon. Mr. FITZGERALD.—Might I suggest another slight amendment which will tend to improve the motion. That after the word "products" there should be the words "in whole or in part."

Mr. LEE SMITH.—How does it read now?

Hon. Mr. FOSTER.—It reads now as follows:

Whereas: The stability and progress of the British Empire can be best assured by drawing continually closer the bands which united the colonies with the mother country, and by the continuous growth of a practical sympathy and co-operation and all that pertains to the common welfare; and

Whereas: This co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products;

Therefore resolved: That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies, by which trade within the empire may be placed on a more favourable footing than that which is carried on with foreign countries;

And further resolved: That until the mother country can see her way to enter into such an arrangement, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of the foreign countries.

Sir HENRY DE VILLIERS.—The position of the mover of the amendment and myself is this: We do not like to sound a note of discord and therefore in case the amendment proposed by Mr. Foster meets the approval of all the other members of the conference, I understand in that case Mr. Hofmeyr will not put his motion but will withdraw it, and then we shall have to decline from voting altogether for this reason. That we have in Cape Colony a customs union with the Orange Free State, and we hope to enter into one with the South African Republic and we should be afraid of compromising ourselves in any way with regard to that customs union. The position is this: in case the other members of the conference are agreed to the resolution, Mr. Hofmeyr will withdraw his amendment and the Cape delegates will not vote on the resolution.

Mr. HOFMEYR.—The words in Mr. Foster's resolution strictly limiting the proposed different trade arrangements to the British Empire puts the South African Customs Union out of court.

Sir HENRY DE VILLIERS.—If there is no unanimity amongst the other members of the conference then we can press our amendment.

The PRESIDENT.—Do not these words apply exclusively to Great Britain, and not to the Empire?

Mr. HOFMEYR.—The position I take is this: If anything of a practical nature is to come out of this resolution as it stands, negotiations would have to take place between the various colonies. Then it would be for the Cape to inquire whether we should adhere to our own South African customs union or go in for this closer union with the rest of the Empire. Now if I, as a practical politician for the Cape, were to vote for the resolution as it stands here, "that this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade between the Empire and her colonies may be placed on a more favourable footing than that which is carried in with foreign countries," I would practically vote for the exclusion of the Orange Free State from the South African Customs Union. I cannot do that. It would be committing political suicide, and I do not see my way clear to voting for a resolution containing these words. I cannot see any other way out of the difficulty. If the rest of the colonies agree among themselves with the resolution I would not put my amendment.

Hon. Mr. FOSTER.—Just a word or two with reference to this resolution before it comes to a vote. Let me now read the resolution. I will not read the preamble because it is unnecessary. The first resolution will read:—

"That this conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies, by which trade between the Empire may be placed on a more favourable footing than that which is carried on with foreign countries.

"And further resolved: That until the mother country can see her way to enter into such an arrangement, it is desirable that, when empowered so to do, the colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more favoured customs basis than is accorded to the like products of foreign countries."

Now I, in the first place, want to say this: That I argued from certain data in drawing up this resolution. I found that in the first place the representatives of the Australasian colonies, had raised their voice on high, as my friend put it, to obtain from Great Britain a certain power—to do what? A power to make favourable arrangements amongst themselves in Australasia, which carries, of course, the idea of preferential treatment. That I supposed was an issue which had been practically settled. Then I found the Australasian delegates at this conference moving themselves, and getting a resolution passed with which we of course agreed that Great Britain should take away

one other disability which already existed with reference to themselves and would grant them the power to enter into preferential arrangements with other colonies than those of Australasia, to wit: with Canada or with the Cape. Arguing upon these two data, I came to the conclusion that there would not be and could not be the least opposition to the second resolution, which to my mind is just an essential step further, and says: Now as we have asked these powers, and have got them in part, and wish to get them in whole, until we do get them, we do not propose to lie still and do nothing, but we will go that further step to which these other resolutions led up to and we will, if we possibly can, put the products of each other, some of them or all of them as it appears best to us, upon a favoured or preferential basis. The sequence is so logical and so necessary, that it never once entered into my mind that any person could raise the least objection to them. As to the wording, I tried to draw that resolution as carefully as possible. It was a little misapprehended, and with the necessary changes suggested by Lord Jersey, I think that it should be satisfactory to any member. How can we disagree? Now I also reasoned by analogy on the first one. I said to myself: "In Canada we have discussed that whole question. We have threshed it out, and we are firm in the belief, if Great Britain could be induced to do this, if she could see her way clear to do it, it would be of great benefit to Canada," and we have offered our opinion in that respect to Great Britain. What she may do with it, I know not, but I had not the least idea that anyone would raise the objection that it would be unwise for us to express the opinion as to the advisability of such a wide, beneficial customs arrangement, on the plea that Great Britain might not take it well, as it would be interfering somewhat with her commerce, maybe largely with her commerce. Then we voted unanimously in this conference to ask Great Britain to tear in pieces the treaties of 1862 and 1865, that the favoured-nation clauses would be an impediment towards making any such customs arrangement, and it was for us to get rid of the disabilities. Did it not involve the changes in her trade which some of the English statesmen have said would be almost a crash, a revolution, but we did not think we were debarred from offering our opinion on this matter. What more are we doing here? Offering an opinion as an expression of belief that it would be advisable if a customs union could be brought about. Therefore, to reason strictly upon lines that have been laid down at the outset, at this conference, I did not look for the least opposition on these grounds. I thought I was building up a superstructure, if we proposed to be consistent with what we have done, and to do a little more than merely pass resolutions. I recognize the disability of my friend from the Cape. He is a practical politician and circumstances there are of a certain kind, and the avowal that he has made that such is the position at the Cape, that even if Great Britain were to offer to come in on more favoured footing that their colony would not be able to enter into that contract.

Hon. Mr. HOFFMEYER.—So long as the customs duty is on its present basis. Of course, we will consider the new position of affairs when they arise.

Hon. Mr. FOSTER.—You would only have to consider the new position, as far as my first resolution is concerned, when that contingency arises. Is it possible that the Cape, a British colony, does think that a customs union with some other countries in Africa is more than a compensation sufficient to keep it out of the Empire, if such a contingency should be brought about? The difficulty I think is not so strong as it might be, and I put this to the delegates from the Cape—I ask them whether or not they are

putting themselves in any false position at all by assenting to this proposition. Suppose that Great Britain to-day should come and say: "I will make such an arrangement with every part of the Empire and we will have trade within the Empire." Cape Colony would agree to it, or if not, it would have to be an immense compensatory advantage to keep her out of such a broad trade relation. Well, now, this difficulty will not occur, Mr. Hofmeyr, until Great Britain does assent to it, so the difficulty, even if you voted for it, would be no greater than if you did not vote for it. However, I will leave that entirely with my friends from the Cape. They have stated their position frankly, and I wanted to see how it was. Now for my good friend, Mr. Suttor, I just address to him the arguments I have to the others: How far do you bind yourself or your government? The terms of this resolution were drawn up purposely, so widely and in such an elastic way that if you made an arrangement with Canada on one single product for another single product, it would meet the condition. More than that, if your government is not disposed to that view, it is not bound by this at all, because the resolution does not bind anybody who is not disposed to be bound by it. I tell you what I do think, it is well we should do. What are we here for? Where are we from? Gentlemen, you have come from the distant parts of the earth at great expense, taking up our time with the eyes of the world upon us; we are here, for what purpose? To get cable communication. On what basis?—an extension of trade, and you would not get the sympathy of a single Canadian unless you should join in extension of trade, with the other conditions. What are you here for? To go back to your governments and be just as you were before? Are we not here because we want to make arrangements one with the other, and it seems to me that every resolution that we pass at this table if it is to be of any consequence at all, must be followed by practical action. This is the second step of practical action. Granted we come together, granted we ask for power, granted we get the power, are we disposed to say before we leave: We will wait until we get these powers, or will we at once enter into negotiations, in order to be practical on this point? "If our governments are disposed to do so," that is as far as we bind them. I would be sorry to see this conference break up and resolutions reached, just as they are to-day, without getting some practical profit by having trade relations with each other extended for the good of each other. That is as near as I can go, and as far as I can go. Much has been stated about the reference in the first part of the resolution as regards Great Britain. I want to say this one thing on that very question of wheat: There is a broad debatable point. How many years will it be, sir, before the United States will cease to send a single bushel of wheat to Great Britain? Not long. The available arable lands of the United States have been taken up. The productiveness of her wide acres is diminishing year by year. The amount of her land which is now going out of wheat cultivation is great, and the fact that the people are becoming wealthier is having its effect. The lands are being taken up in parks and grazing grounds and her population is increasing at the rate of 2,000,000 of people a year. It takes a good many bushels of wheat to be mashed into food for sixty-two millions of people. Sir, the time is coming when Great Britain will look to her colonies almost entirely for her food supply. Go down to Montreal to-day and ask the price of a loaf of bread. Get the price and put it in your note-book. Go back six years and ask the price of a loaf of bread. Put that in your note-book. Get the price of the flour then and the price of flour to-day. You will find that the price of wheat to-day is exactly half what it was then and yet the artisan pays the same for his loaf that he did six years ago.

Take the course of French history, where they have placed increased duties on wheat and breadstuffs year by year. Take statistics and read them as to the price of wheat and the flour and the duties placed upon them. Ask whether or not the price of the loaf has risen in connection with it and then come back to whether or not it is not possible that Great Britain might put a slight discriminatory duty upon wheat and her artizan and her labourer pay not a single cent more for his loaf than he does to-day. Sir, suppose he did. There is something higher than that. It is all very well that a man should have a loaf at one-tenth of a penny less, but it is a deal better that he should have the wages to buy that loaf. Sir, the amount of competition taking place in England to-day is narrowing the scope of the wage-earners, and this is shown clearly by a review of her industrial situation. I just simply want to point out this, that we do not ask Great Britain to make a revolution. We do not give it as our opinion that she ought to. There are two or three things in which she can materially aid the colonies in the long run, to her own interests; even the slightest action would give new life to the production of grain in the colonies, and more than that, make a thrill go through every part of the Colonial Empire, that Great Britain, at least, has recognized that her colonies were to be treated a little better than other countries. One point more, and that is this: that the British Empire must stand or fall together. It must stand or fall together, and in twenty years' time, the larger part of Britain will be outside of Great Britain. You may say: Wait till that time comes. I believe in the fertilizing power of ideas, and I would like this idea sent out by this conference, that it is the thought of the Colonial Empire that some such relations shall take place as near as it possibly can, by which the solidity, coherence and development of the outlying parts of the Empire would be assisted. Let it lie and fertilize, though it does not bring forward an immediate result. Nothing has ever yet been accomplished until ideas have been sown and taken time to germinate. If that goes from the conference what good may it not do?

Hon. Mr. HOFMEYER.—Suppose that as a result of this resolution being carried we should learn in a few months' time against ever the most sanguine expectation of the most sanguine of us that the United Kingdom is prepared to go into a customs arrangement of the kind sketched in this resolution, then what Cape Colony would have to do is this, she would have to call a meeting of the various members of the South African Customs Union. She would put these points to the delegates of the Free State. She would say: "Here is the British Empire prepared to admit all our goods from Cape Colony and from South Africa at more advantageous terms than from the rest of the world, would you, the Free State, be prepared to throw in your lot with us and become from a fiscal point of view part and parcel of the British Empire? Would you be prepared to admit the goods of the British Empire at more advantageous terms than goods from the rest of the world if the Free State got their goods into the United Kingdom on similar terms?" It is quite possible the Free State would say: "Certainly we will do that." Or they may express a contrary resolve. The action of the Cape would greatly depend on that resolve. I should like Cape Colony to be left at liberty to negotiate with the Orange Free State, either to bring her into the Imperial Customs Union or to remain outside with her, if necessary. At present I am not authorized to vote for a resolution practically including our S.A. Customs Union. Notwithstanding Mr. Foster's eloquence I cannot change my position.

Mr. LEE SMITH.—Mr. Foster said that to be consistent we ought to pass this resolution simply because we passed a resolution yesterday asserting "That this conference

is of opinion that any provisions in existing treaties between Great Britain and any foreign power which prevent the self-governing dependencies of the Empire from entering into agreements of commercial reciprocity with each other or with Great Britain should be removed." Now I hold that our voting against this resolution does not show that we are denying the proposition of the other day. Mr. Foster has asked us to go into quite a different question. I affirm that the mere proposition that we proceed to carry out this mere mutual customs basis would be of more importance than this resolution. I can vote for it as amended.

Hon. Mr. THYNNE.—I cannot give my hearty support to the motion. I think we should let it stand until to-morrow morning.

Hon. Mr. FOSTER.—There is no objection to holding it over until to-morrow morning.

The debate on the motion was adjourned and the conference adjourned.

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Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 6th July, 1894.

The conference resumed at 10 a.m. HON. MACKENZIE BOWELL, President, in the chair.

Delegates present :

The Imperial Government—{ THE RIGHT HON. THE EARL OF JERSEY, P.C.,
G.C.M.G.

Canada—HON. MACKENZIE BOWELL, P.C.

HON. SIR ADOLPHE CARON, P.C., K.C.M.G.

SANDFORD FLEMING, Esq., C.M.G.

Tasmania—HON. NICHOLAS FITZGERALD.

New South Wales—HON. F. B. SUTTOR, M.L.A.

Cape of Good Hope—SIR HENRY DE VILLIERS, K.C.M.G.

SIR CHARLES MILLS, K.C.M.G., C.B.

HON. JAN HENDRICK HOFMEYR.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—ALFRED LEE SMITH, Esq.

Victoria—SIR HENRY WRIXON, K.C.M.G., Q.C.

HON. NICHOLAS FITZGERALD, M.L.C.

HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.

HON. WILLIAM FORREST, M.L.C.

TRADE WITHIN THE EMPIRE.

Hon. Mr. FOSTER.—In relation to this motion the conference heard yesterday the statement made by Mr. Hofmeyr, and the position of the Cape Colony delegates. Mr. Hofmeyr has had a conversation with me this morning, and has made a suggestion, to which, for my own part, I do not see any great objection if it does not destroy the continuity and force of the resolution, and I do not think, upon first blush, that it does. I will mention it to the conference, and if the conference agrees to it, I shall be only too happy to meet the Cape delegates in that respect. I am assured that some of them, at least, have very strong sympathy with the principle of the motion which I have introduced, and are very sorry to decline to vote, or to vote against it; but at the same time they are confronted with peculiar circumstances in their own country, and which we, as a conference, must be sympathetic with. The proposition is simply this, that we shall add the South African Customs Union, of which I believe the British colony forms by far the most important part—nineteen-twentieths, I am told; that if this motion be carried, as I hope it will be, we shall add at the end of this motion, for the purposes of this resolution, that the South African Customs Union be considered as a part of the British Empire; or, if we cannot say “of the British Empire,” that it be considered as a part of the territory to be included within the

scope of the resolution, which would be better, because it would scarcely be fair to say it was part ; that for the purposes of the above resolution the South African Customs Union be considered as territory to be brought within the scope of the resolution.

Sir CHARLES MILLS.—Capable of being brought within the scope of the above resolution.

Hon. Mr. FOSTER.—Yes, that would be perfectly satisfactory ; I am sure that, so far as Canada is concerned, if we could make an arrangement in any certain articles with the Cape, we would have no objection. I would like to have Lord Jersey's opinion on this. Then one of the delegates, in speaking with me, finds still a difficulty in voting for this ; and the ground of his difficulty is this in brief : For instance I will make it personal to Canada, and put myself in his position. Canada is a protective country. We believe, rightly or wrongly—and we have acted on that belief—that to develop our own industries in the peculiar circumstances in which we were, we had to have something more than revenue duties. We have developed these industries ; we would not care to see these industries destroyed now. There are certain of them which, even if Great Britain were to assent to this, and make an arrangement, we would not wish to imperil. All this resolution binds us to do is to put the goods of Great Britain, in whole or in part,—whatever may be negotiated and come within the scope of this arrangement,—if it is finally completed, on a more favoured basis than we put the goods of a like kind from a foreign country. So that it would not necessitate the destruction of cherished and very vital interests in the colonies, but it would give them this chance. Put whatever reasonable protective duties you may impose, goods will come in from foreign countries ; and if you give Great Britain, with reference to these manufactured articles, a better position than the foreign makers, you would give her a decided advantage, and that brings you within the scope of this resolution. Therefore, I do not see how I, as a protectionist, and coming from Canada, could object to this resolution on that ground for fear that by its being carried out we will be obliged to destroy great and vital industries. We would simply be obliged, in the spirit of the resolution, to give the British manufacturer a better position in competition in our market than foreign nations ; and I present that view of it with all earnestness to any delegates who may have looked upon that as a bar, and ask them to think it over before deciding. More and more as I think of this, I am convinced we ought to pass it ; and I am convinced that no harm, but a great deal of good, would come from it. Since our meeting yesterday, I have read the utterances of very influential newspapers in Great Britain ; I have read the statement made by the Premier of your Cape, Mr. Rhodes. I have read the comments in the British papers upon that ; and you may depend upon it, that, in the British Empire to-day, the seed has more than sprouted ; it is germinating, the idea is growing, and it is going, ultimately, to bring the different parts of the Empire together in some way, in spite of all the doctrinaires that live and breathe on the face of this earth. The Empire is not about to go to pieces ; and there is a spirit which is willing to make sacrifice, of even long cherished ideas, in order to cement the Empire, and keep it together ; and it is an enlightened and civilized selfishness that will bring us to it, if nothing else does.

Lord JERSEY.—Mr. Foster has asked me if I could give my approval, on behalf of the British Government, to those resolutions. I am afraid I must answer him that it is not possible to do that, because, were I to express approval of these resolutions, I should be to that extent stating that Her Majesty's Government would approve of them, and I cannot do that.

Hon. Mr. FOSTER.—The question loses some of its force when we decide not to say that the South African colonies should be considered a part of the British Empire. We have said that it should be considered as territory to be included. I have my doubt as to the propriety of saying it should be part of the British Empire.

Lord JERSEY.—As I explained yesterday, I could not do that; but there will be no harm in the words that the South African Customs Union is to be considered as within the purview of this resolution. It is a difficult question to answer, because the Orange Free State forms no part of the British Empire, though for purposes of its own, it has entered into an agreement with the Cape Colony. It is a diplomatic question, which I do not think I can answer.

Mr. LEE SMITH.—I promised yesterday to vote for these resolutions, but, after consideration, before carrying out that promise, I should like to ask you with regard to the first one, whether you mean by that resolution, that you would expect Great Britain to give an advantage by imposing duties on the products sent from other countries in favour of us; because, if that is so, I could not vote for it. I am prepared to vote in this direction, that the colonies may give as much away as they like to Great Britain, but I should not like to agree to vote for any resolution which would imply that Great Britain, in response to that, would place duties on the products of other nations. I think, this is complicating the question. I should like to see all the colonies place the goods of Great Britain on a better footing than the goods of other nations, and I should like to see a concession made between the colonies themselves; but I should not like to commit this conference to the proposition that Great Britain, in response, as a matter of reciprocity to us, should place other nations at a disadvantage by doing what they would have to do to benefit us, viz., to place duties on goods of other nations. I do not think it is possible to do that; I do not think the British Government would listen to it for a moment. It is quite unthinkable, and in the long run would hurt us.

Hon. Mr. FOSTER.—We must be perfectly frank, and as the question was a frank one, I shall be frank in answering it. Great Britain is to be the arbiter in that matter; she has to look to her own interests, and if she does not see fit to enter into this arrangement, she need not. There is no harm in a son going to a father, and asking for a friendly arrangement, which he thinks would be of advantage to him, and the son as well. There is no way by which Great Britain could give the *quid pro quo* on the list of articles which she has already dutiable; and it would resolve itself into this, that Great Britain could, as the proposition states, treat our commerce more favourably, in whatever particular she liked, against foreign countries, and that could only be done by placing duties on goods of foreign countries. With regard to the other generous and good sentiment of Mr. Lee Smith, whereby he is quite willing the colonies shall give everything to Great Britain, and Great Britain give none in return, I say, as far as I am concerned,—and I think as far as Canada is concerned,—the day will be considerably distant when we will propose, if it is not to our advantage somewhat, to give very great commercial advantages to the British Empire without receiving something in return. Commerce is inexorable, sentiment is free; and when it comes down to a point of arrangement between those that have the entire power of their fiscal arrangements between themselves by the constitution and the law, it will proceed on to a commercial basis, and a fair consideration, and a fair distribution will be asked for.

Mr. LEE SMITH.—It would be easy to show how we should get an advantage by that.

Hon. Mr. FOSTER.—If we did, we would have the compensation we agreed to.

Mr. LEE SMITH.—We should get a larger exporting power by giving Great Britain that differential tariff, but it is impossible to ask Great Britain to give us something like that.

Lord JERSEY.—I will enlarge my answer to Mr. Foster, and say that it strikes me that if the Orange Free State, being a distinct nation, were included, it might and would be argued that the most-favoured nation clause would have to come in.

Hon. Mr. FITZGERALD.—Certainly France and Belgium would have something to say.

Hon. Mr. FOSTER.—It might be ; but we have asked that those disabilities be removed ; this could not take place until they were removed. The disability must be removed before we can enter into the arrangement contemplated by the first resolution between Great Britain and her colonies.

Hon. Mr. SUTTOR.—It seems there is a great deal of force in the objection raised by Lord Jersey to including the Orange Free State. We shall get into trouble, if we allow any one foreign territory to be placed in the same position as the colonies. With regard to the proposition submitted by Mr. Foster, I think the objection is this : We ask England to be good enough to assist the trade between the colonies and England, to enlarge and increase the trade between the colonies and the mother country by putting duty on foreign goods. For the sake of argument, we will say that England proposes to put a duty of 10 per cent on foreign goods received into England, and allows the colonial goods to go in as at present, under no duty at all. The position would surely be this : England would say to her colonies :—"We have now handicapped the foreign trade in favour of you, to the extent of 10 per cent ; we will allow your goods, as we always have done, to come in free : are you prepared to reciprocate and allow all our goods to come into your territories free?"

Hon. Mr. FOSTER.—That would be most unfair.

Hon. Mr. SUTTOR.—Why ?

Hon. Mr. FOSTER.—We have 30 per cent on woollen goods ; if England gives us on equal volumes of trade a differentiation of 5 per cent, is she so unfair that she would ask us to give her a differentiation of 30 or 40 per cent ?

Hon. Mr. SUTTOR.—But if we are going to enter into such an arrangement as this, that she is going to check the introduction of foreign goods to assist her colonies, in order to increase the volume of trade between the colonies and herself, she may fairly ask us to reciprocate and allow her to send her manufactured goods on the same terms that she receives our products. I want to ask my fellow delegates if they are prepared to pledge their governments to that extent, that in the event of England allowing our goods to go in in that way, and taxing the foreign goods, we are prepared to reciprocate and allow the manufactured goods of England to come into our ports free. I for one, must say that I am not prepared to do that.

Hon. Mr. FOSTER.—I must protest that that is not a fair statement of the case. No man carrying on business with a business man would attempt for a moment to do business in that way. When two business men come together to talk about business, they are supposed to ask only fair advantages of either side, and one man does not say to the other "You give me £10 and I will give you £1." Neither would Britain or other commercial communities make such requests. If Great Britain gives us to-day no

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Colonial Conference.

advantage over another nation, we give Great Britain no advantage over another ; and if Great Britain comes and says " We will give you 5 per cent over another," will she ask us to give her 35 or 40 per cent advantage ? That would not be fair ; it is not contemplated. We send wheat to Great Britain, and get woollen goods from Great Britain. What is the volume of the wheat trade sent to Great Britain ? What is the volume of the wollen trade they send here ? If they give us 5 per cent on the goods we send there, we will give them 5 per cent on the same volume. That would be fair. But would not it be unfair to say " We will give you 10 per cent advantage on a million bushels of wheat, and we will ask you to give us 35 per cent advantage on a million dollars worth of goods in return." That is not a fair request. It is not a business statement of the case. It is not in the resolution, and it is not fair to the delegates to base an opposition to the resolution on a statement like that. Let us vote on this as it is ; but do not let us vote on an unfair statement of the case, and I must contend that is not a fair statement of the case.

Hon. Mr. FORREST.—I think in this particular case that probably Great Britain would say : " Doubtless you have a duty of 35 per cent, but we never admitted that the duty was a fair thing to start with." And I would ask members of the conference this question : Where does the fairness or unfairness come in ? Is it in Great Britain admitting our goods free ; or is it in the Australian or Canadian colonies charging a duty of 35 per cent ? You see, from a free trader's point of view, there is a strong argument on the other side.

Hon. Mr. FOSTER.—Yes, on the principle.

Hon. Mr. FORREST.—The mother country might also fairly say : " If you, say on a 30 per cent duty, will only allow us 5 per cent, what is to prevent you putting on 60 per cent, and saying we will only give you 5 per cent on that ?" And the principle would apply just as well. I think it is necessary for us to consider the matter, and ascertain where the unfairness is.

Hon. Mr. FRASER.—I can only repeat what Mr. Foster has so very clearly put. We have a duty upon wire in Australia. Now, German wire floods our markets. It is understood by all those who use German wire that it is not equal to the English wire, and yet, on account of the extreme cheapness, it floods our markets. Would it not be perfectly fair—nay, more, would it not be even desirable—that the Australian governments would place a duty of say one per cent—it would be probably quite sufficient—to handicap this German trade, and thereby increase the volume of English trade ?

Hon. Mr. SUTTOR.—You would allow the English wire in free ?

Hon. Mr. FRASER.—No, allow a duty to be put on both, but the differential duty in favour of the English wire, and of course that would certainly drive the wire trade from Germany to England, and Australia would be benefited by a similar volume of trade from Australia to England. That is as plain as can be ; and it is utterly unfair to expect that we would sweep away the whole tariff, because half a century ago we adopted a protectionist tariff. That would be utterly unfair ; England would never dream of such a thing.

Mr. LEE SMITH.—In reply to Mr. Suttor, Mr. Foster said it would be manifestly unfair to require from Great Britain a similar return to what we give ; is that so ?

Hon. Mr. FOSTER.—No ; I said it would be manifestly unfair to require from us a greater return than we received from Great Britain.

Mr. LEE SMITH.—Supposing there was a ten per cent duty, you ought to give them a similar duty. Great Britain imports about £24,000,000 of wheat every year. Now, putting the small duty of a shilling per quarter, which is 5 per cent upon it, would mean a taxation of £1,200,000 a year. How are you to take duties off in retail articles to meet that? It is impossible. The volume of trade is three to one. 75 per cent off the trade of Great Britain is outside the British colonies.

Sir HENRY WRIXON.—Eighty-five per cent.

Lord JERSEY.—British trade with the British possessions is about one quarter of the whole volume, and it is 15 per cent only with the self-governing colonies.

Mr. LEE SMITH.—Well, it is worse still. If we get 5 per cent it is manifest Great Britain would be simply taxing her people for our benefit. It is perfectly unfair that you should carry such a system on. Our business is a small one. The only way we can assist Great Britain is by allowing her to get as free access as we can afford, to take her products into our colonies, and thereby help her, in the way of cheap duties to buy back from us. We should get British vessels coming from British ports, and thereby assist our people into a large market by lower freights and better exchange rates. You cannot expect Great Britain would be content with a similar reduction of duties, because one is a large volume of business and the other a small one, and the British people would not listen to it for five minutes. The true way is to encourage Britons to sell to us and then they must necessarily, by the laws of trade, be in a better position to buy of us.

Hon. Mr. FITZGERALD.—I think Mr. Smith's remarks would be more suitably addressed to the British people and the British Government. I think Mr. Foster laid down the position perfectly fair, that England's statesmen were well able to protect the interests of the United Kingdom, and they will not do anything to injure her people or her trade, and why should we put ourselves in a position of showing how it will affect England. She will not do it if she is not benefited by it.

Hon. Mr. THYNNE.—I think it would be well to define our terms. If 10 per cent were allowed off some article in Canada, 10 per cent would have to be put on in Great Britain. I think that must be a mistake. I think Mr. Foster meant that the total value, in money, of reduction of the receipts of Canada on the particular goods was the amount for which Canada would seek from Great Britain a similar concession; that is that they would impose such a duty on goods coming in as would amount to a preference, an encouragement to Canadian material to the extent to which Canada is reducing the duty on the other goods.

Hon. Mr. FOSTER.—That might be one way.

Hon. Mr. THYNNE.—That is the way in which the thing can be worked; but let us look at this: Are we going to recommend and to express ourselves of the opinion, after solemn consideration, that it is advisable for the British people to so interfere with their course of commerce and trade as to put on for Canada a particular duty, and on some article for the Australian colonies a particular duty on some other articles, and so mix up the general course of trade of their fiscal policy with regard to foreign trade as to put it in the utmost confusion? That would be the result which necessarily would come from tampering with the tariff arrangements from time to time, according to the treaties or arrangements with the different colonies. I think my friend Mr. Fitzgerald touched a very important note in this discussion; and it seems to me—I say so with

respect—that a good many of the delegates here have acted and spoken with the same sentiment which Mr. Fitzgerald has spoken ; that is that England is well able to look after herself ; and we can quite trust her statesmen to do the right thing for England at the proper time. We need not take particularly into consideration the point of view in which Great Britain would have to look at these questions. I think that that attitude and that proposition is inconsistent with the resolution, because we are asked here to place upon record our opinion that, from all points of view, it is advisable. We say to Great Britain that it is advisable for Great Britain, and I certainly do not wish to be put in that position, which I think is a mistaken idea. We have expressed here the opinion that it is advisable, and members of the Conference have dealt with the question from a colonial point of view only. That is not, I take it, the position and the attitude which our delegates at this Conference ought to take. If we are going to pass a resolution which is intended to affect the position of Great Britain and her fiscal system, we are in duty bound to take full thought and full consideration of every element affecting the British position, just as well as we are bound to take our own into consideration. And I do not think we would be justified—in fact we cannot—speak on behalf of Great Britain with the same full knowledge, with the same long experience of her particular commercial relations, to the same extent as the Imperial Government and their official advisers can, through their long training and long experience and long study. I have not the presumption—and I think it would not be wise for any party of colonies to allow themselves to be exposed to the imputation that we are travelling beyond what is our real function at this conference, and endeavouring to dictate to the mother country the course of her fiscal policy, which, in the first place, is not likely to come into operation. And, in the next place, we must have some doubts, looking from the point of view of Great Britain, whether it is a desirable movement, in the interests of their particular trade and commerce. On the records, as the resolution stands now, Mr. Foster has been good enough to place on the record of this conference a practical possibility ; but in asking us to adopt the resolution he does not meet the objections to the resolution as it was first framed, because when we express our opinion here that we are to do it, that this customs arrangement is advisable, I think the practicable impossibility of it as a matter of early future politics, or practical politics, is apparent ; and I do not see why, at this conference, we should be asked to pass resolutions on which we can only at the best form a partial opinion, and upon which we are, I think, most of us, of opinion that it is not practicable or possible, within an early date, to have any practical result. I have given this resolution my most careful consideration, and I regret very much that I do not feel myself at liberty, for the reasons I have stated, to give it my support.

The PRESIDENT.—Do you think it inadvisable we should have customs arrangements with Great Britain ?

Hon. Mr. THYNNE.—What I say is this : We have gone a certain length ; we have gone the length of asking the mother country to give us the power to make reciprocal arrangements between ourselves and the mother country, and I think this conference ought to be content with that, or with a practical resolution bringing that into effect.

Hon. Mr. FOSTER.—Why did not we ask it for the colonies only ? Is not this playing with the ball ?

Hon. Mr. THYNNE.—There is no member of the conference so sincere and earnest about having reciprocal arrangements brought about with the colonies as I am, and

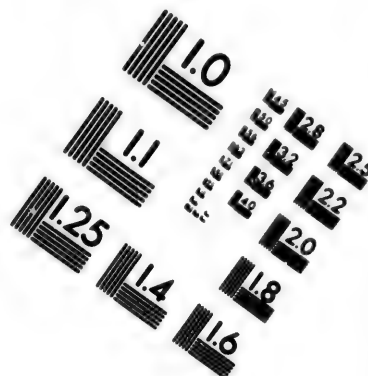
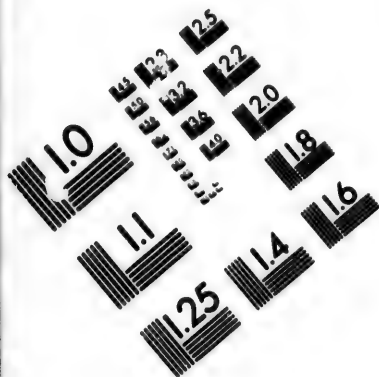
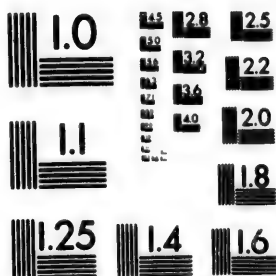


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there is nothing in the shape of playing with the ball in my attitude. I am perfectly sincere and in earnest. What I do object to in this resolution is this, that we are going beyond our functions, and in the first part of the resolution as it stands now, we are asked to dictate or to express an opinion upon the system of Imperial fiscal policy, while, if we confine ourselves to an expression of opinion something similar to that policy, or what would be still preferable, adopting the amendments Mr. Hofmeyr moved we would be doing what was right.

The PRESIDENT.—In my capacity as Chairman I do not wish to be interfering, but I suppose we are all interested in the same thing. The question I wished to ask you was whether you thought it inadvisable to have any such arrangement as that proposed in Mr. Foster's resolution with Great Britain; and I would add this: if it is advisable and advantageous for the colonies to have intercolonial trade between themselves, whether it be free trade or on the basis of modified tariffs, would it not be equally as advantageous to the colonies to have a somewhat similar system prevailing with reference to Great Britain? That is what I intended to ask.

Hon. Mr. THYNNE.—It may possibly be so, but this first resolution goes beyond that length; it speaks of a customs arrangement, a general proposition, which I am not at liberty to entertain, because I think it goes beyond the functions of this conference to pass this resolution.

Hon. Mr. FOSTER.—There are two points I wish to impress upon Mr. Thynne. What was in your mind when you pressed here and voted for and raised no objection to the British Government making arrangements for interfering with existing treaties to the extent to give you and every other colony the right to make an arrangement for trade reciprocity between ourselves, and between ourselves and Great Britain? What was in your mind? What did you want the ball for? You asked for it? You prayed for it. You would not rest until you had got this conference to pray for it and ask for it. They give it to you, we will say, to-morrow; what are you going to do with the ball? I think that if we want it we ought to try and kick it through the goal, and show that we did not want it simply to play with. But what logical consistency is there in asking for the power to reciprocate, and then declaring that you do not think you ought to say to Great Britain that it would be well to reciprocate? Let me ask Mr. Thynne, what was in his mind when he voted for another proposition. He is now very solicitous as to this conference interfering with anything Great Britain is interested in? Mr. Thynne and ourselves, all of us, interfered with Imperial concerns with reference to the cable, to the extent of dictating to Great Britain—he uses the term *dictating*, I say we simply make *our prayer*—that Great Britain shall ask an appropriation for one-third of the cost of surveying and making a cable between two of the colonies simply. Why was not he solicitous then as to our being very careful about dictating to the British Government in a concern which was entirely for the British Government, and that alone? We are a colonial conference; we are brought here to look after colonial interests first; we are not an Imperial conference; we are here as a colonial conference; we are here to press what we think would be for the colonial advantage, to press it upon the only one that could give it to us; that is Great Britain. Is there anything wrong in us asking Great Britain, if she can see her way clear to do it, what we think would be an advantage to the colonies, especially when we have preceded that by an earnest request that she shall give us the power to carry out this very thing? There are, then, three points

I wish to urge. We are a colonial conference, and are here to urge what we think would be a colonial advantage; and we urge it upon Great Britain in so far as she can help us to do it, in so far as it is her interest to do it, even so far as her generosity will allow her to do it, for the sake of broader considerations. Now, then, I want to press this point strongly; why in the world should we take off our clothes, put on our bathing suit, get on the beach with the water before us, and then refuse to plunge in?

Hon. Mr. HOFMEYER.—I find that you have passed a resolution to this effect: That provision should be made by Imperial legislation to enable the dependencies of the Empire to enter into agreements of commercial reciprocity, and so on, so that we contemplate the possibility that Great Britain would also come into this reciprocal treaty arrangement. The conference backed up this resolution on the 4th July with another one; that this conference is of opinion that any provisions in existing treaties, between Great Britain and any foreign power, which prevent the self-governing dependencies of the Empire from entering into agreements of commercial reciprocity with each other, or with Great Britain, should be removed. On these two occasions, you did not hesitate to bring Great Britain in. We did not limit the proposals of a reciprocity arrangement to the colonies alone, but we included the Empire of Great Britain also, and those resolutions were carried without dissent. The question is, are we going to give any practical bearing or effect to the two resolutions which were passed by this conference? According to the views held by myself, and the government which I represent, and, I think, by the majority of the Cape people, I am quite prepared to follow the resolutions which have been passed, by practical steps, and practical measures, so far as they can be practical, under the peculiar circumstances in which we, in the Cape, find ourselves. In the resolution put, in its present form, I can find no dictation as regards Great Britain. The resolution expresses its belief in the advisability and practical possibility.

Hon. Mr. THYNNE.—That is taken out.

Hon. Mr. HOFMEYER.—Then it becomes even weaker. It is a belief in the advisability of a customs arrangement between Great Britain and the colonies. I fail to see any dictation towards Her Majesty's Government. I cannot see anything of the kind, and I believe Her Majesty's Government, consisting of able men, though they may be, will not be able to find a trace of dictation in those words. Then, "it is further resolved that until the mother country can see her way to enter into such an arrangement;" surely, should there be a trace of dictation in the former paragraph, it is wiped out in this one. Therefore, if I was inclined to vote against this resolution, I would not do it because I believed there was a lurking dictation in it as regards the United Kingdom. Mr. Chairman, I would be most anxious to vote for this resolution, if a slight amendment can be tacked upon it, meeting the peculiar requirements of South Africa, not only the Cape Colony, but of all other colonial colonies belonging to Her Majesty's Government, which are united into one customs union. Let me explain that customs union. The customs union consists of the Cape Colonies, which have tremendously larger interests in the union than all the rest of the states put together, but, besides Cape Colony, we have in it British Basutoland and British Bechuanaland, and the Transvaal; in addition to that we have the British protectorate, and very soon, I think, we will have in it the British territory that stretches to the Zambezi. Further, in addition to that, there are the small Dutch States; there is the Free State, which has already entered with the British Colonies into the customs

union. It is to be the interest of the British colonies, in South Africa especially, that the Free State should be part of it, and it is in the interests of British trade and British connection that the Free State should form part of the customs union, and also in the interests of their trade and connections that the Dutch republic should be part of it. If I were to vote for the resolution, exactly as it stands here, I would be pledging myself to this, that we would break up the customs union of the South African States, in so far as the Free State is part of it, and this would be a most unpopular step in the Cape, and prejudicial to South African interests, and I think prejudicial to the interests of the Empire at large. Therefore, I submit, that if the following words could be added to the resolution, "That for the purposes of this resolution the South African customs union be considered as part of the territory capable of being brought within the scope of the contemplated trade relations," you will not at all destroy the scope of the resolution. Of course, I have heard it suggested that you would be bringing in foreign territory. Well, Mr. Chairman, Her Majesty's Government have assented to the establishment of this customs union, with the Free State in it, and Her Majesty's Government has, on every possible occasion, given an indication of its desire that the South African Republic should also come into the customs union. The British Government not having objected on these occasions, why should we suppose that Her Majesty's Government would object because we pass this resolution? But, suppose it does object,—do we lose anything by it? We will be just where we were. It will be a question whether we should ask the Free State to leave the customs union, and it will be for us to decide whether it will be worth while to enter into a customs union with the British Empire, if the South African colonies, with whom we have trade relations of the most intimate character are not also to enter into this customs arrangement. I believe that British interests, and South African interests will be served if the resolution is carried, and if it can be carried out. If it cannot be carried out nothing should be lost. If we pass this we will not pass any customs union, we have no legislative authority over the British Empire, in fact no legislative authority at all. We only express an opinion in regard to the direction of thought in which our minds are moving, and I think that is of great importance. Something practical may grow out of it, but it is not an immediate step, we will be only preparing to take steps. With the consent of my second, and the conference, I should like to withdraw the amendment I put in yesterday, and in its stead, move this as an addendum to the resolution on the table, and I should like you, Mr. Chairman, when putting it to a vote, put the said resolution as it stands, together with this amendment, and afterwards put the whole together.

Hon. Mr. FOSTER.—Would it not be better if you should move that that be added to the resolution?

Hon. Mr. HOFMEYR.—That may be done. I wanted to put it in such a way that the ground should be left open for me to vote for the resolution if that is added, or if not, to refrain from voting altogether. I will now read my resolution:—"That for the purposes of the resolution, the South African Customs Union be considered as part of the territory capable of being brought within the scope of the contemplated trade arrangement."

The PRESIDENT.—If this motion of Mr. Hofmeyr's, which is seconded by Sir Charles Mills, is passed, then I shall put the original resolution as amended; that will include the four paragraphs of Mr. Foster's, and the amendment of Mr. Hofmyer's.

Mr. Hofmeyr's resolution was then put and carried.

Hon. Mr. FORREST.—I think it would be disastrous to the trade of the English Colonies if we did anything, or if England did anything, pressed on by us, that would limit her foreign trade. We are assuming that we can do certain things, take certain action against other countries, and that other countries will not take action against us. We left that out of our calculation altogether. If you hit a man on the nose, is it reasonable to expect that he will do nothing in return?

Hon. Mr. FRASER.—Supposing England were at war to-morrow with some huge foreign power, and England and the colonies found that the colonies largely traded with that power, or that England largely traded with that power, would not the colonies be most anxious that the trade should cease, and would it not be also to the interests of England, and the colonies, that there should be no trade, and that the life-blood of the country should be kept flowing by sucking the trade of the colonies and Great Britain? Surely that is plain common sense. Therefore, this motion is only in that direction, and I hope that my friend Mr. Thynne, and my friend Mr. Forrest, will not press their objections and thereby make this motion unanimous.

Hon. Mr. SUTTOR.—Mr. President, I think there is very great force in the point taken by the Hon. Mr. Playford, just now, to the effect that it is very desirable that there should be no serious differences, and that the opinions of this conference should be unanimous. In order that there should be a compromise, I am quite prepared, as far as I am concerned, to consider this proposal in as favourable a light as possible, and I think perhaps the Hon. Mr. Foster, who has charge of it, with his forcible character, which is so apparent to all of us, does not like to give way, and therefore I would suggest, with a view to coming to a unanimous opinion on the subject, that he should strike out certain words in the first resolution and in the second resolution. If he would agree to that suggestion, I believe the delegates of the other colonies will agree with me, that we are quite prepared to accept it.

Sir HENRY WRIXON.—But you would not distinctly leave out the mother country?

Hon. Mr. FOSTER.—The conference I hope, will not think I am obstinate. I am very much impressed with the importance of a deliverance from this conference as to a wider customs arrangement. We have led up to it, I want the opinion of the conference upon it, and I do not want to involve, for the sake of that, a negative from any of the colonies against another proposition which they are inclined to favour: and, therefore, I would suggest this: Let us divide these, and vote upon them in three parts. You will consider the preamble as one, and vote upon that. Upon that I suppose we will all agree. Then we can take the first resolution, and that will be number one. You will vote upon that, and there will be probably some disagreement. We will not all vote together. Then take the third resolution, as another separate one, upon which we can vote, and I suppose we can all vote. I think that lightens the matter. Take for instance my friend Mr. Thynne, he does not see his way clear to vote for the larger customs arrangement. It would seem to me that we should get at the end in view, and I must say, because some of us may dissent from it, I am very adverse to withdrawing what I consider so important a proposition as the one in the first resolution, and a proposal which follows, I think logically and necessarily from what we have already done, and is necessary in order to make our work complete. Do you think we should adopt the principle in this conference, that we should reject a thing, because we cannot all see eye to eye? We cannot expect all to see eye to eye; but, I do not think we should ask each other to withdraw entirely, just because of that, because it may be very vital. By the wish of

the minority the conference may be deterred from voting upon some very important matter. The method I suggest would leave the conference free to place itself upon record with reference to both of those, separately and individually, and consequently, to draw all the strength possible, to what I deem is the most important one, and that is the last.

Sir HENRY DEVILLIERS.—Would not there be a difficulty, that there is a rider or proviso at the end? How can we vote upon this last resolution unless we know also that the rider will be carried?

Hon. Mr. FOSTER.—I imagined there was no objection to that at all.

Sir HENRY DEVILLIERS.—The rider is carried unanimously upon the supposition that the resolution is carried.

Mr. LEE SMITH.—I think there is a point here which has been entirely overlooked. It seems to me, in my opinion, we are going entirely outside the scope of our authority. If you refer back to the invitation which was sent to the various colonies, you will find it reads in this way: The Minister recommends that the Colonies of New South Wales, Queensland, Victoria, South Australia, Tasmania, New Zealand, and Fiji, be respectfully requested to appoint and send one or more delegates, and so on. There is no mention of Great Britain in that matter at all.

The PRESIDENT.—Kindly read the latter part, where the Imperial Government is invited to take part in these deliberations, it is of an imperial character as well as colonial.

Hon. Mr. FITZGERALD.—Surely it must take a wider range than Mr. Lee Smith suggests.

The PRESIDENT.—You will find the report made to Council says, "the Minister also recommends that the British Government be requested to take part in the conference by sending a delegate, or by such other means as may be considered advisable, inasmuch as the object in view is of an Imperial as well as a colonial character." The British Government very graciously acceded to that request, by sending His Lordship here to watch proceedings.

Sir HENRY WRIXON.—It shows the government were asked to come into this, because Imperial relations would be considered.

Hon. Mr. FOSTER.—We have got one step further. The adhesion of two of the delegates, at least, will be assured by a slight change of the wording, and I am inclined to believe that the Hon. Mr. Suttor will also fall in with his brother delegates in this respect. At least, it will make us as nearly unanimous as possible. That is, in the first resolution, instead of saying that this conference "recommends" say "it believes in the advisability."

Hon. F. B. SUTTOR.—I might point out to the Hon. Mr. Foster that the words he suggests really makes the resolution stronger than before.

Hon. Mr. FOSTER.—I understood it was Mr. Thynne's suggestion.

Hon. F. B. SUTTOR.—It really makes it much stronger than before.

The PRESIDENT.—Will you allow me to make the suggestion, that we should take up the preamble, vote upon it, and when we come to the first resolution, discuss it and dispose of it, and if it is to be rejected, let it be so, or if there are to be any amendments, move your amendments, and see if they will be acceptable to the conference. I think that will advance business.

Sir HENRY DE VILLIERS.—I willingly consented to this proposal or resolution of my colleague being withdrawn, and in regard to the motion which has just been carried, I would simply wish to be recorded as not voting. Of course my colleagues vote, and they carry it, so that the Cape Colony votes, but I should like it to be on record that I am not voting upon the matter, and for this simple reason, that I consider myself as the delegate of Cape Colony alone, that I do not consider myself as in any way authorized to represent the Orange Free State, or any of the parties to the customs union, and, therefore, I find a difficulty, which I am glad my colleagues do not entertain. My own view of my own personal position is, that I am not authorized to express any opinion by which the Orange Free State, or any of the other parties to the customs union can be compromised, and for that reason, Mr. Chairman, I wish it to be entered on the minutes that upon this I did not vote ; but, the vote of the Cape is given for the resolution.

Sir HENRY WRIXON.—The doubt that suggests itself to the Chief Justice would apply even more to the Australian delegates. They have nothing to do with the Orange Free State. I should think the view of the Chief Justice is clear and unanswerable, if we were doing anything of that kind, if we were determining anything, or seeking to legislate in any way. Then, I think every Australian delegate should at once decline to vote. But, when we are really expressing an opinion as to the wisdom of a certain course, it seems to me we may express that opinion, without offence, whether we come from the north, south, east, or west. We are not assuming to dictate to anybody. We control nobody. The whole thing is a mere expression of opinion. Therefore, in that light, I am quite willing to vote, though, of course, I have not the slightest right to assume to dictate to anybody.

Sir HENRY DEVILLIERS.—I did not wish to raise a debate. I have given simply the reason why I wished it to appear upon the record that I did not vote.

The PRESIDENT.—It is understood by the Conference that Mr. Hofmeyr is permitted to withdraw his original amendment of yesterday.

This was assented to by the Conference.

Hon. Mr. THYNNE.—Mr. Foster has been good enough to state a series of questions which he has asked me to answer. I really have found a difficulty in getting hold of any one of the questions which he wishes me to answer from the very fact that when I did think I had one tangible question to answer, he did not give me an opportunity of answering it, which shows rather that his questions were not questions, but a new form of advocacy.

Hon. Mr. FOSTER.—An argument in the form of questions.

Hon. Mr. THYNNE.—An argument in the form of questions. One phrase which fell from the Hon. Mr. Hofmeyr, I think assists to clear the ground for us all. He referred to the resolutions which were passed during the last few days, and which he said no doubt contemplated the possibility of Great Britain entering into this reciprocal arrangement. We all did contemplate the possibility. Whether that possibility is likely to come into existence, whether it is likely to be realized now, or whether it is ever to be realized, it still remains a possibility, and it was in view of that possibility, although I believe we all consider it a very remote possibility, that Great Britain should come in and make these reciprocal arrangements, still it was in view of that remote possibility that I think we included, in our resolution, the request for the power

to enter into these reciprocal arrangements with Great Britain, as well as between ourselves. But, sir, this resolution goes a great deal further than that. It is not only the statement that it is a mere contemplated possibility, but that it is a desirable thing that we should have it done, and that Great Britain should adopt a certain policy. That is the great difference between the two. We know that it is not merely possible between ourselves as colonies, but very probable. But, I think it is a very sanguine member of this convention who will venture to state that he expects, or even that within the next five years it is likely, that a preferential contract or reciprocal arrangement may be made between the colonies and Great Britain. I think he would be a very sanguine man indeed, if he would make that statement. We all look at the chance of Great Britain entering into this arrangement as extremely remote. We look upon our own chance of making an arrangement between ourselves as not so remote, but this resolution goes further than that, and, in my opinion, and as I say, for the last time I hope, it seems to me, to express an opinion by this conference upon the fiscal system which ought to be adopted by Great Britain. I do not consider that it is my function or my place here to vote in favour of that proposition.

HON. MR. PLAYFORD.—I am exceedingly sorry my honourable friend has taken the course he has, because surely he will admit the force of the Hon. Mr. Foster's argument, that when we pass certain resolutions, we pass them at all events with some object in view ; and, when we asked that certain disabilities, certain impediments, in our way, may be removed, we certainly had in our minds that these were impediments that should be removed ; and, I think when the honourable member tried to draw a distinction between desirability and possibility, he spun out an exceedingly fine argument. If it is desirable, we have not got to argue the question of possibility here ; we have got to express the desirability of the thing, and we want to express it in the clearest possible manner, and to show what we want. We have asked the Imperial Government to remove certain disabilities that exist at the present time, which prevent her from entering into special arrangements with her own colonies. We want to say in the most unmistakable manner, that it is desirable that they should be removed, in order that we should have the advantage of entering into the arrangement which present treaties prevent us from entering into. The argument is perfect to my mind. I cannot understand the position of my honourable friend, Mr. Thynne ; having gone so far, surely he might go to the extent we are going now. Having desired the removal of the impediment at the present time, we are further desirous of giving practical effect to that, by entering into an arrangement. That is all we say here. Of course, if we are going to argue from general matters into particular matters, if we are going to assume that Great Britain is not likely to enter into it, because of this, or that, I say that is altogether beside the question, because, as far as we are concerned, that is a position for England to take. It is for us to say what we think would be best. I think it most sincerely, and I believe the great majority of the congress think it would be desirable if the Mother Country were to consider her children a trifle better, and treat them a trifle better than she treats foreigners, who may be at war with her to-morrow, and that we, on the other hand, should be willing to reciprocate, and to give her advantages equal to those which she may give us. I am very sorry that we cannot come to a unanimous conclusion. I am very sorry it should go out that we were not unanimous on this important point, because it is really carrying on the work that we commenced, and unanimously commenced, the first days of this conference, and giving expression to our opinions, as to what course should be adopted to give effect to the resolutions we have carried.

Colonial Conference.

Lord JERSEY.—We have disposed of the preamble.

Sir HENRY WRIXON.—We are all agreed to it.

The PRESIDENT.—Is the conference ready to vote upon the first resolution, leaving the preamble until the last? Then, you can discuss it, or amend it as you please. The first resolution is: "Resolved, that this conference records its belief in the advisability of a customs arrangement," &c., &c. Is the conference ready for the motion, or are there any amendments? I will take the vote, as it was decided we should take it, by colonies, one for each colony.

The vote resulted as follows:—

Yeas.—Canada, Tasmania, Cape of Good Hope, South Australia, Victoria.—5.

Nays.—New South Wales, New Zealand, Queensland.—3.

The PRESIDENT.—The second resolution is:—"That until the mother country can see her way," &c., &c.

Hon. Mr. THYNNE.—I have an amendment to propose. I propose, Mr. President, that the words "such an arrangement" in the second line of the second resolution be omitted with a view of inserting the words "a customs arrangements with the colonies."

Sir HENRY DEVILLIERS.—It is the same thing.

Hon. Mr. FOSTER.—If the Hon. Mr. Thynne simply wishes to change the verbiage, without the sense, I have no objection.

Hon. Mr. THYNNE.—If I am recorded as voting upon the second resolution, which embodies the first resolution by the words, "such an arrangement," I should be accepting an anomalous position.

The PRESIDENT.—Do you accept that, Mr. Foster?

Mr. FOSTER.—I would make that change.

The PRESIDENT.—Is it the pleasure of the conference that the change, as suggested, should be made?

Assented to by the conference.

The PRESIDENT.—The resolution, as amended, will read as follows: "That until the mother country can see her way," &c., &c.

Motion carried.

AN EXAMINATION OF TARIFFS.

Mr. LEE SMITH.—Mr. President and gentlemen,—now that the preliminary skirmish is over and we have the ground cleared for practical work, it is advisable that we should put something of a distinct form before the Conference so as to carry out the object which we believe we are here to promote. Therefore, Sir, I beg to submit the following motion:

"That this conference proceed to examine the respective customs tariffs of the various colonies here represented, with a view to acquire such information as will enable the members to determine in what direction reciprocities may be profitably arranged, and thus place themselves in a position to advise their governments accordingly."

Now, sir, as I have said before, we have been engaged during the last two days discussing questions with regard to how we can be placed in a position to carry out the objects for which we are here met. I say that the work generally has been on very high lines and we ought now to come down to a more prosaic basis on which we must arrange this matter. I believe, sir, that now the time has come when we should do what Mr.

Foster pointed out to us and prove that we are prepared to do something of the nature which will do more than anything else to join and unite those bonds which he thinks it desirable to do with regard to the communication between the Imperial Government and her colonies. I do not see, sir, that we can do it in any better way than to proceed at once to acquire such information as is necessary to enable the respective members of this conference to go home and report to their governments as to what is possible and what is important. So far as I am concerned I have been sent here entirely in the capacity of a commercial man. I have a pretty wide industrial and commercial experience in my colony, and as my Government viewed this entirely as a commercial conference they will necessarily look forward to some practical work resulting from our deliberation. I feel that I could not allow this conference to close, and I believe there is a hope it will shortly close, without placing myself in a position to give my Government and my people some definite information as to the possibility of any trade extension between New Zealand and Canada. For instance, sir, there are many things that I have observed since I have been in Canada here, which have somewhat altered the views that I possessed in starting out from New Zealand. If Mr. Foster can spare the time from his duties, I would like to have an hour or two private talk with him and the other members of the government, with regard to the position of the several industries that I cannot get information from, so well as I think I can from them. The present condition of our tariffs—the Canadian tariff especially—appears to be very anomalous. I will mention wool for instance. Some classes of wool are absolutely free, and on other classes there is a duty of three cents per pound. That is a thing I think we can discuss fairly. Some colonies are interested in one class of wool and some in another, and I cannot see how we can proceed to carry out our objects without having that very important question discussed and determined upon, whether there should be a uniform duty on wool or not. I do not think it would be necessary for me to occupy the attention of the members of the conference any longer than just to observe that I think that we should at once, seeing that there is no other business before the conference, proceed to examine the duties and the tariffs of our respective colonies. I simply conclude by moving that resolution.

Hon. Mr. HOFMEYER.—I believe we are going too fast now. I believe many of us are not authorized to do anything so definitely as would have to be done by passing this motion. As regards the delegates from Cape Colony, none of us are commercial men. Sir Charles Mills is not a commercial man. Sir Henry de Villiers is not a commercial man, nor am I. I think I have a copy of the Cape Customs law with me, and I have no objections to handing it to any member of the conference, but further than that I suggest that the various delegates should go home and report to their governments and let the governments venture to approach one another. If we are going into an examination of the customs tariffs of some eight or nine colonies represented, I think we will be entering upon a most arduous work, and we will have very little result. I have seen sometimes customs arrangements discussed between two colonies, and it took months. It took the United States three months to discuss their tariff. I hope this motion will be withdrawn.

Mr. LEW SMITH.—I will be very glad if any gentleman will show me some more practical way of arriving at our object. Hitherto we have been discussing only abstract questions, and we are going home without any result at all.

Hon. Mr. FOSTER.—I want to see if I cannot suggest a practical mode. We know that no colony comes here empowered to make any trade arrangements. We come here

Colonial Conference.

to discuss principles and lay down our views as far as we can come together ; but, at the same time, this is an excellent opportunity for the members from each colony to have a consultation outside of this conference with the Dominion of Canada, and compare notes, just as thoroughly as they possibly can, as to what our requirements are, and see what we can send them in return for something they can send to us on some equal terms.

SIR CHARLES MILLS.—You mean outside of the conference ?

HON. MR. FOSTER.—It is entirely outside of the conference, and to facilitate that, you will remember, I gave to each delegate a copy of our tariff, so that they could see our customs tariff, as it is at present and as it will be by law in a few days ; and the delegates might make up a list, not to be handed in to the conference, but to be given to the government, Mr. Bowell or myself, as to what products they would think they could advantageously send into Canada. We can easily make up a list of our products which we think we can advantageously send into the different colonies. By having this conference with each colony we can compare lists and we can come to a pretty good practical conclusion as to what the subjects of the negotiations might be based upon. Then the delegates would take back that information they get to their governments, and whatever is to be done afterward would be by negotiations between the governments. It would be well if we started with a personal comparison of notes between the different delegates from the different colonies and the Canadian Government. Mr. Bowell, as Minister of Trade and Commerce, will be very glad to meet with you on these points. This personal explanation would be simply an informal conversation for purposes of getting information, and then you can get down to something like a practical basis. And we can by correspondence come to an agreement.

HON. MR. FITZGERALD.—I apprehend, in order that the records of this conference should contain what the members did on this important subject, it would be desirable that after the committee of colonial representatives did agree upon lines as suggested by Mr. Foster, they should then report to this conference with a view that it would be on record that they had submitted to the Canadian Government a list of articles which they thought might fairly be the subject of legislation with regard to reciprocal duties. Then the conference would have a distinct reference to that subject. It would show that an important matter like that was not neglected by us. I apprehend that half an hour would suffice to discuss it. It would not take three hours.

HON. MR. FOSTER.—For each colony to discuss it ?

HON. MR. FITZGERALD.—I think the colonies are all one with regard to it.

HON. MR. SUTTOR.—I might suggest that instead of each delegate waiting upon the Minister to discuss this thing we might discuss it at an informal meeting.

MR. LEE SMITH.—There are only half a dozen items.

HON. MR. SUTTOR.—Each member can discuss the matter and give his opinions as to what articles might be interchanged between Canada and his colony.

HON. MR. FOSTER.—That would be an informal meeting.

MR. LEE SMITH.—It had better be recorded. I should like to have it recorded.

HON. MR. SUTTOR.—We can make certain suggestions at an informal meeting.

HON. MR. FOSTER.—A further idea strikes me now. We have a difficulty in connection with the Australian Colonies from the unfortunate fact that they are not in a confederation—in our view an unfortunate fact. It would be so much better if we were

to all meet and discuss the points upon which trade can be best carried on. Is it not so that the products of these colonies are in the main the same as to what articles they would like to export?

Hon. Mr. FRASER.—Very largely the same.

Hon. Mr. FOSTER.—I think Mr. Suttor's suggestion is a good one, that we get through the formal business of the Conference, that a day be appointed on which we can meet informally, the different delegates having consulted among themselves they would be prepared with their views as to the articles which we would like to interchange and then we can take this whole matter into consideration. I think that would be a very good thing. Mr. Smith states further that there should be some record in evidence for the governments. That might be advisable, and it might be placed in the form of a motion by which it be resolved that an informal meeting of the conference be held at which the delegates from the different colonies shall meet and interchange their views upon the products that will form the subject of negotiations as between the different colonies.

Hon. Mr. FORREST.—I cannot exactly see any good that will come out of this, because it is wholly improbable that the same arrangements will suit the whole of the Australian Colonies, and each colony shall have to speak for herself. If a record is wanted the delegates can each address a letter to the Minister of Trade and Commerce, stating what is wanted or proposed.

Hon. Mr. FOSTER.—I think a great deal of good would come from an interchange of ideas if there were special points that could be brought up.

Mr. LEE SMITH.—We cannot do anything better to place ourselves in the position of going home and recommending to our governments what we think advisable. My government expect me to give them such information as will enable them to judge of the advisability or otherwise of entering into any arrangement, and I feel perfectly sure that they will feel sufficient confidence in such recommendation as to submit it to Parliament. I suppose every other gentleman is in the same position. If they are not in the same position I do not understand why they come here. This thing cannot be hurried through and satisfactorily completed with a few abstract discussions. My people expect me to give them a full report of the whole position of the Canadian industrial field. I apprehend that the other governments are going to have the same thing and I believe that this discussion should be fully reported.

The PRESIDENT.—The motion moved by Mr. Lee Smith has no seconder.

Mr. LEE SMITH.—Has no one seconded it?

The PRESIDENT.—No.

Mr. LEE SMITH.—So long as it is on record I do not care. Very well.

The conference adjourned.

Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE.

OTTAWA, 7th July, 1894.

The Conference resumed at 10 a.m.

DELEGATES PRESENT.

The Imperial Government—{ THE RIGHT HON. THE EARL OF JERSEY, P.C.
G.C.M.G.

Canada—HON. MACKENZIE BOWELL, P.C.

HON. SIR ADOLPHE CARON, P.C., K.C.M.G.

SANDFORD FLEMING, ESQ., C.M.G.

Tasmania—HON. NICHOLAS FITZGERALD.

New South Wales—HON. F. B. SUTTOR, M.L.A.

Cape of Good Hope—SIR HENRY DE VILLIERS, K.C.M.G., C.B.

SIR CHARLES MILLS, K.C.M.G., C.B.

HON. JAN HENDRICK HOFMEYR.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—LEE SMITH, ESQ.

Victoria—SIR HENRY WHIXON, K.C.M.G., Q.C.

HON. NICHOLAS FITZGERALD, M.L.C.

HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.

HON. WILLIAM FORREST, M.L.C.

Mr. LEE SMITH.—I would like to observe that I do not see any reference to a motion I brought forward yesterday.

The PRESIDENT.—I have made inquiry about that, and I find that the error, if such it be is because it was understood by some, at least I was under the impression, that it was withdrawn. That is the reason the Secretaries did not put it upon the record. If Mr. Smith thinks it should be upon the record it shall be amended. I can see no possible objection to its being recorded. It was not seconded, and the point is, whether it should be upon the minutes. If it is desired that it should be upon the record we can easily make an entry, that it was proposed, and not being seconded, it was not put to the conference.

Mr. LEE SMITH.—That would satisfy me, sir.

Lord JERSEY.—I understood Mr. Lee Smith distinctly to say he wished it to be upon the record.

Mr. LEE SMITH.—I will write out a fresh motion and hand it in.

IMPROVED MAIL SERVICE.

The PRESIDENT.—The next motion is Mr. Smith's, as follows :—

"That this conference take into consideration the question of a mail service between Great Britain and Australasia *via* Canada."

Mr. LEE SMITH.—Mr. President and gentlemen: In bringing forward this question before the conference I hope it will not be considered that I am saying anything in disparagement of the business that has hitherto been done, when I state that in my view this subject is one of the most important that can be brought before the conference. Hitherto, sir, we have been engaged in discussing the best means of carrying out the main object of the conference, and that is the knitting together of the outlying portions of Her Majesty's Empire with the mother country. We have dealt with the Pacific cable, and we have also dealt with the question of how we are to obtain permission or liberty to carry out intercolonial reciprocities, so as to complete the matter and enable us to do that which we have come here to do; but with regard to this question, sir, but for strategic reasons, it should, in my view, have come before the cable, because I think the ability to communicate and do business should be arranged before you go into the question of how you are to have telegraphic communication. If I give you a short history of the mail and steam communication between Australia and Great Britain I shall best present to you the present position, and enable you to judge of whether this route through Canada to Great Britain is or is not wanted. Going back to the early history of mail communication between Australia and England we find that in 1856 the first steam communication by very slow steamers was partly by steamships, and in fact partly by sailing vessels. It was not until 1868 that any great advance was made so far as regards the despatch of mails. That advance was very materially brought about by the fact that a different route was adopted to any that had hitherto been used. Previous to that time all the mails from Australasia went exclusively by the way of the East, by Suez, and by what we may term the P. and O. route, and there was no attempt made, in any shape or form, to accelerate those mails. In the year 1866, arrangements were made to obtain access to England through America, and a contract was made by New South Wales and New Zealand with a company to arrange a service via Panama, and thence to Great Britain by the Royal Mail Steamship Company's steamers. That very much shortened the time that was occupied in carrying these mails, and then it was that the P. and O. Company for the first time made any effort to reduce the time they had hitherto taken. That service was kept in existence for some two or three years, and then, the company failing, it was abandoned; but, the people of New South Wales, and the people of New Zealand were so satisfied with what had been done, and had their eyes opened to the fact that there was no way of getting to England better than the one adopted, that they determined they would take some steps to arrange for a service via America. Consequently, in 1869 or 1870, a service was arranged for via San Francisco, and that reduced the time between Sydney and London, by, I think, some three or four days. From that time to this, something like 24 years, there has been a continuous mail service, of one form or another, some good and some bad, through San Francisco, and a very large portion of the correspondence of New Zealand, and New South Wales, has been sent via that line. After the adoption by the P. and O. Company of measures to quicken their service, there followed a desire on the part of the Australian colonies proper, that is, the continental colonies to also get some better advantages than they had, more especially those lying on the western side of Australia; and in 1878 the Orient Company appeared on the scene, and they ran in opposition, for some time, with the P. and O. Through that competition, the service was very much improved. But, shortly after that an arrangement was made

by the Australian Government for working the lines in conjunction, that is, each company ran a fortnightly boat, and these boats were to run alternately, so that now Victoria, South Australia, Tasmania and New South Wales are served by a weekly line of steamers running direct from their colonies to London, and I believe the time occupied in transmitting their mails has been brought down to something like 32 or 33 days from Melbourne, which is considered very satisfactory.

Hon. Mr. FOSTER.—That would not be the all water route. That 31 or 32 days is the mail time between Melbourne and London.

Mr. LEE SMITH.—Yes.

Hon. Mr. PLAYFORD.—The passenger time is about a week longer.

Mr. LEE SMITH.—Then, with regard to Queensland, they have what may be termed an independent line of their own, for arrangements were made some time about the year 1880 for a four weekly steam service by the Straits, and that service, I suppose, may be considered the mail route. Then, there are two other means of communication, the Messageries, and another, and besides that again, from New Zealand, there are two direct boats running fortnightly from New Zealand to London. So that we have now six lines whereby communication is had with Australia and New Zealand:—The P. and O., the Orient, the Queensland Company, the San Francisco route, the two direct boats from New Zealand, and latterly there is the line from New South Wales direct to Vancouver, known as the Canadian Pacific line. Now, sir, I recognize that in dealing with this question, the different colonies represented here will take different views; for instance, gentlemen from South Australia cannot be expected to regard this question with the same fervour as we do, who are more East, but there are two, or even three colonies, whose interest I think it must be to endeavour to promote some communication with England *via* Canada; those colonies are, New South Wales, Queensland, and my colony, New Zealand. I do not think it is necessary for me to enlarge upon the matter, more than to say this, that so far as my colony is concerned, I shall be prepared to give it consideration, from what I may term a federal point of view. I recognize that New Zealand cannot be placed in a better position than any other colony; but if we are going to do anything to carry out, in a practical way, the views which we have given utterance to, quite unanimously here, with regard to the absolute necessity there is of our having a direct cable route from Australia to Britain, through British possessions, that argument is more applicable to a question of mail service, because it must be clear that if there be war there will be a very great advantage gained by the opportunities afforded for passengers and mails to be carried through from Australia to Great Britain, without fear of being intercepted, or in any way interfered with as by the old routes going through the East. If there is any force whatever in the argument as to a cable route, it is much more applicable to the question of a mail and passenger service. The present line is manifestly incomplete, I refer to what is known as the Canadian Pacific line. It is incomplete, it does not fulfil the conditions which we all here have regarded as being absolutely necessary for the carrying out of the views which we have agreed upon, the desirability of having a quick and reliable passenger mail service to London. This line runs direct from New South Wales to Fiji, and thence to Vancouver, but there, so far as regards its imperial aspect, it stops. Putting it plainly, gentlemen coming to Vancouver are then thrown out, so to speak, upon the land of Canada, and they get to London as

best they please. They can either go to Montreal, and take a boat from there, a slower boat, or they can go to New York. What we require is that the people of Australia should know that within so many days they can absolutely rely and depend upon getting away from some central point in Australia, and also from New Zealand, getting not only to Vancouver, but also to London, in a reliable manner, on a through ticket, on first class boats. So that we can present to the world this great fact, that we, at this great conference, have carried out really the most material means whereby our hopes and aspirations can be realized. I am not familiar with the terms of the arrangements which are supposed to be in progress with regard to a service between Canada and Great Britain, but, I believe it is quite possible, that if we give a sufficient subsidy, or give a sufficient inducement, in some form or other, we could establish such a connection, through your ports, with Liverpool, as to compete, and to compete very successfully, with the route which goes through San Francisco; and, when I tell you that there is a very large passenger service through San Francisco from my colony, I think you will see the necessity of our being patriotic enough to endeavour, as far as possible, to attract it to our own shores. All our mails now come through San Francisco, nearly all the mails of New Zealand. Of course, I am speaking from a New Zealand point of view; but, so far as my colony is concerned, we have thought we should get a line via Vancouver, and therefore the people could make their choice, of either going from San Francisco to London, or they could go through Canada, which would be their preference, if there is any reality in the idea we talk about, our patriotic feeling. In my first motion I only dealt with the question of Canadian and Australasian service, but, on consideration, gentlemen, you will observe I have widened it to a through service, because I feel sure that we must take the opportunity here of debating this question entirely upon the broad and general and national line that we have dealt with all other questions, and that is, the absolute necessity there is of impressing, not only all the colonies, and not only Great Britain herself, but the world at large, with the great fact that we are determined to do something of a practical nature to bring together our various colonies, with the mother country. I do not propose, sir, to advance any particular proposition. I think it would be extremely unwise for me to do so, because I would only create jealousies. I am afraid I have created a few jealousies, because I know that one or two of my propositions have not met with the approval which I think they deserved, therefore, I shall not risk anything further in that direction. I have merely brought the question up in a general way, so that all the colonies may put forward their views, and I do hope that before we are done with the question we shall have arrived at some agreement, upon some general basis, whereby we can carry out what we have in view.

Hon. Mr. FOSTER.—Could you give the amount your colony pays as mail subsidies?

Mr. LEE SMITH.—We carry it now by poundage. We guarantee so much. In New Zealand I think it costs about £7,000 a year.

Sir A. P. CARON.—How much is the total?

Mr. LEE SMITH.—About £30,000 a year between New South Wales and New Zealand.

Sir A. P. CARON.—New South Wales I see is £13,274.

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Mr. LEE SMITH.—The subsidy is about £34,000. The American Government give £4,000, or did give it; I think they have withdrawn from it. It is divided in the proportion of thirds, the contractors taking one-third, New Zealand one-third, and New South Wales one-third. I may say that our service via San Francisco is very satisfactory. Our average time is 32 days, but I understand that if this mail service that we propose is carried out, New Zealand can be put within something like 28 days from London, and Sydney about 30. I have nothing more to say upon the question which I have really opened for the discussion of the conference, and I will merely conclude by proposing the motion.

Motion seconded by the Honourable Mr. Foster.

Sir A. P. CARON—Mr. Chairman: Before I enter into the very few remarks which I desire to make upon this very important question, I should like to draw the attention of the conference to the fact that on the opening day, or the following day, I placed upon the table, which I may be excused from mentioning again, as it belongs to the department over which I preside, but, I consider that it is of some importance from the fact that it discloses the organization of the postal system of Canada, and also discloses the policy which had hitherto been followed in reference to that branch of our public service. I do not wish to read it to the conference, and take up time, uselessly, as it is printed, and I thought, for reference, it would be more convenient, merely to place it before you. I should like, Mr. Chairman, for reasons which I have already expressed, that it should form part of the proceedings, and appear as part of the record of the conference. I can fairly say that Mr. Lee Smith has made an exposition of a very important case in a manner which certainly, is not only satisfactory to the conference, if I may speak for the conference, but, which has also given to us most valuable and important information. I think it is quite useless to take up the time of the conference, by insisting upon the necessity for assisting, by subsidy, lines of steamers carrying mails. This is being generally recognized by the maritime nations of the world; it would be useless, I think, to spend very much time in arguing the necessity, in giving such support, and following a practice which has been almost universally recognized. The essential conditions of an Ocean mail service, as I understand, are increased speed in the running of vessels employed in the service, and assured regularity in the time of arrival and departure. Without a compliance with these conditions the transmission of correspondence by sea would become so irregular as to seriously impede the operations of commerce and a subsidy must be necessarily, large or small, in proportion to the extent to which these conditions are insisted upon. For a number of years our neighbours to the South of us, the United States, abandoned completely the policy of subsidizing steamship lines for the purpose of conveying mails, but, there has been a reversal so far as that policy is concerned. In 1891 a change took place, and from that period of time the policy of subsidizing steamers carrying ocean mails was resumed, as will appear by the report of the Postmaster-General of the United States of 1892. Very large sums, indeed, were paid during the six months ending the 30th June 1892 for conveying mails by sea, over and above the amount of the postage upon the correspondence conveyed. For example, on the routes between New York, La Guayra and Colon and between San Francisco and Panama and Hong Kong,

a sum of 77,103 in excess of the postage earned was paid for mail conveyance, and it was estimated that the amount to be paid for the next financial year, not including any service to Europe, would be \$954,000, which, as will be seen, is a very large increase on what had been previously expended. The policy of subsidizing steamers and of expending large amounts of the public money for the purpose of perfecting, to the fullest possible extent, the mail service between the different countries, has been so thoroughly recognized, that in carrying out that policy of reverting again to the paying of a subsidy to steamers carrying mails, the Postmaster-General insisted upon the "City of Paris" and the "City of New York" being naturalized and flying the American Flag, and of course, under that flag, receiving from the New York Post Office all the advantages which possibly could be conferred upon that line, for the purpose of giving it every possible help, from the public revenue. Now, sir, the mail service between Queenstown and New York is subsidized to the extent of £104,251 sterling per annum; the amount paid for the service between Brindisi, Naples, and Adelaide is £170,000 sterling per annum, the Australian Colonies contributing £75,000 out of that amount. The cost of the service between Brindisi, the East Indies, and China, is £265,000. For mail service to the West Indies, £85,000 per annum is paid; the yearly subsidy to the Allan line for conveyance of mails from Quebec, Halifax, and Montreal is, \$126,533. The reason, Mr. Chairman, why I trouble the conference by giving the figures which I have just given, is for the purpose of showing the very large subsidies, which, according to the well-understood policy of the two great maritime nations, England and the United States, is considered to be money properly expended for the purpose of giving all possible facilities to trade and commerce, by having the most perfect system of mail service that money can procure. If we wish to make closer the ties which connect the colonies and England, and if we wish to have a union which will be, not only a union on paper, but a union useful to every member composing that union, it is necessary for us to begin, at the very beginning, by establishing the best mail service possible. I fully agree with the words which have fallen from the lips of Mr. Lee Smith who said he considered this one of the most important questions, one of the most serious considerations that could come before conference. If we wish to establish a fast line of steamers, to establish a mail service which would be regular, which would carry the mails in the shortest possible time, we should consider that it will be necessary to pay large amounts of money, and large subsidies for the purpose of obtaining these advantages. And, considering what the Imperial Government has been doing for other countries, she should certainly contribute and contribute very liberally to a subsidy to a fast line of steamers on the Atlantic Ocean, and also on the Pacific Ocean. I consider that one of these two is perfectly inadequate by itself. If you have a fast line of steamers on the Pacific Ocean, and you traverse the continent in the shortest possible time, as we do to-day, over the Canadian Pacific Railway, all that money, all that trouble would be lost, unless we secure on the Atlantic as fast a line as we possibly can, because, the fast time that would be made in crossing the continent, and the fast time that would be made on the Pacific, would be completely lost, without a fast Atlantic line. In view of the large contributions made by the Imperial Government towards the service between Brindisi and Adelaide, viz., £95,000 out of £170,000, to the service from the East Indies and China £190,000 out of £265,000, and in connection with this service I must draw the attention of conference to the

fact that large sums of money are contributed for a service between England and foreign countries, Japan, and Hong Kong, the latter of which, of course, is a colony of England. She contributes towards the cost of the service to the West Indies £65,000, and a large amount is paid for the service between Queens-town and New York, viz., £104,231. I claim it is only reasonable that an imperial contribution should be given to the Australian mail service from Vancouver to Sydney, and also to a fast Atlantic service from Quebec to Liverpool. Pertinent to this question I may be excused if I take up the time of the conference, for a very few minutes, by reading a paper which was sent to me by Sir Charles Tupper, whom most of you know personally, or have heard of, as being the High Commissioner for Canada, and I think it is of very great importance in relation to the question now under discussion. It is an extract from a paper read by Sir Charles Tupper at a meeting of the Royal Colonial Institute on the 8th of May, 1894. He says:—"At the outset it is interesting to know the average time occupied in the conveyance of mails to and from Sydney and London by the present Suez route. The latest blue-book that I have been able to obtain is that of the report of the Postmaster General of New South Wales for the year 1892, issued in 1893. There I find that the returns of the mail service of the Orient Steam Navigation Company during the year 1892, give the average time between London and Sydney as $33\frac{1}{2}$ days, and between Sydney and London as $33\frac{1}{4}$ days; which in the case of the Peninsula and Oriental Navigation Company during the year 1892, the average time occupied in the conveyance of mails to and from Sydney and London was as follows:—London to Sydney $33\frac{1}{2}$ days: Sydney to London $34\frac{1}{4}$ days. The consideration paid by the British and Australasian Governments for the above mail service is £85,000 per annum to each company or £170,000 altogether; and out of this contribution of £170,000 the United Kingdom pays £95,000."

These large sums of money which are paid, I think are very properly paid, but, the advantage to the Empire, and to the colonies, of having a line all through British territory, absolutely safe, as short, if not shorter than any other line that now exists, deserves, I think, to be recognized, and, that the Imperial Government, as it has done in so many cases for other colonies, should contribute subsidies to the Atlantic and Pacific lines. The extract proceeds:—"The present intention of the proposed steamship company is to have upon the Atlantic a weekly service of 20 knots speed all the year round and to maintain it by the building of four exceptionally large, swift, completely equipped express passenger steamships. On the Pacific at present it is only proposed to have three steamships, thus adding one steamship to those now performing the monthly service between Sydney and Vancouver. The presence of a third steamship on the Pacific has enabled the promoters of the new service to suggest two propositions:—First, that there shall be during the summer months a three weekly service between Sydney, Moreton Bay, Fiji, Honolulu, Victoria, and Vancouver, and during the winter season a four weekly service by the same route. It may be said at the outset that the mails by that route can be easily delivered in the time now occupied by the Suez route; but it will be observed that it is only, in the one case a three weekly service, and in the other a four weekly service.

"2nd. If it shall be hereafter decided to call at a New Zealand port in preference to Moreton Bay, Queensland, then, with three steamships on the Pacific, the service can easily and regularly, all the year round maintain the four weekly service between Sydney, Auckland, Fiji, Honolulu, Victoria, and Vancouver. The drawback to calling at a New Zealand port instead of a Queensland port would be the lengthening of the voyage between the last Australian port of call (*i. e.* of Sydney) and England by 36 hours each way; but even allowing an additional 36 hours for the extra mileage by the New Zealand route, the promoters of the service state that they would be able to deliver the Sydney mails, from the date of the establishment of the

fast Atlantic service, in about the same time that is now occupied by the steamships of the Peninsular and Oriental, and Orient Companies from Sydney to London by the Suez route, while the New Zealand service (Auckland to London) would be reduced to within 31 days. It is stated that the current contracts between the British and Australian Governments and the Peninsular and Oriental Company and the Orient Company have been extended for an additional year, and expire in January, 1896.

"At the Ottawa conference to be held in June next one of the most important subjects for consideration will be whether the time has arrived for Great Britain and the Australasian Colonies to recognize Canada as an imperial highway for an Australian mail service affording the Empire an important alternate route, and I venture to hope that a favourable decision will be arrived at. At the present moment the only Australian subsidy actually being paid to the Vancouver service is £10,000 sterling per annum by the government of New South Wales. If that subsidy were increased to at least £50,000 sterling per annum from Australasia, and if the British Government will give the minimum subsidy asked for the Atlantic service of £75,000 sterling per annum, Australasia will secure in 1896 an alternate fortnightly route by way of Canada. As to the time to be occupied by the mail service between Sydney and London, the promoters of the new company are prepared to name 31 days as the period for the first term of years, but, in any event, to do it as quickly as can possibly be done by the Suez route. It is interesting to note from the blue-book above referred to that the net cost to New South Wales of its joint service via Suez was in 1892 only £13,274 8s. 5d. It is reasonable to assume, therefore, that the amount collected for stamps will go a long way towards paying the subsidy for the proposed mail service."

Now, Mr. Chairman, I fully endorse everything Mr. Lee Smith has said in reference to the importance of establishing this mail service. It is impossible to contemplate any business union between the colonies, any commercial union between the colonies and the mother country, unless every possible facility, which can be given to trade and commerce, over the seas, and overland routes, is given, and this will require a large expenditure of money. Canada, has already, as I view it, done its fair share in building the Pacific Railway, which gives to the mother country an absolute safe route, built on British territory, and which permits the mother country to carry her troops to her colonies in the shortest and safest possible way known. In consideration of these advantages, Canada has already agreed to expend a large amount of money for the purpose of subsidizing a fast Atlantic steamship line, and an Australian and Canadian line on the Pacific. Under these circumstances, I think it is fair to expect, having shown our strong will to help, and contribute what we could towards completing the system, that the Imperial Government should be asked to subsidize the line on the Atlantic, and the line on the Pacific. Then, I think we would have the most perfect system that could be organized, and a system which would contribute largely to develop the resources, not of Canada alone, but of all the colonies entering into the union. Sir, under these circumstances, I hope that when the time comes, the very strongest representations will be made to the Imperial Government, so that the subsidy which we expect, can be voted by the British Parliament, and granted for the establishment of these lines.

Hon. Mr. SUTTON.—What is the position of the matter in connection with the granting of subsidies for the Atlantic steamers? From reports, I understand the negotiations are at an end.

Sir ADOLPHE CARON.—These reports are not to be relied upon. Mr. Huddart was being commissioned by the Canadian Government to negotiate subsidies for the establishment of this fast service over the Atlantic Ocean. We had entered into a

provisional agreement with him to give \$750,000 per annum for the purpose of helping in the establishment of that service.

Hon. Mr. SUTTON.—For how many years?

Sir ADOLPHE CARON.—Ten years. He has been negotiating in England with capitalists. Naturally a line of that importance will cost a very large sum of money, and, as I understand, he has been successful so far in his negotiations. I do not mean to say that everything is completed, but everything that can be done has been done. The Chairman reminds me that Mr. Huddart is now waiting until the subsidy of \$750,000 be affirmed by Parliament, to complete his organization and make the arrangements necessary to carry out the scheme. The class of steamers being arranged for are equal to any steamers afloat. They are 20 knot vessels. They are to have 3,000 or 4,000 tons of cold storage, so that they would be very valuable additions to our system and would enable us to carry fruit and whatever perishable goods may come from these colonies.

Lord JERSEY.—On the Pacific?

Sir ADOLPHE CARON.—No; on the Atlantic.

Lord JERSEY.—A very strong demand has been put forward for the granting of a subsidy by Great Britain; but I think it will assist us very much if we could have a few more data as to what the expected cost of the line would be; first of all, the line between Great Britain and Canada, and also the cost of the line between Vancouver and Australia.

The PRESIDENT.—Do you mean the cost to the promoters, or the subsidy?

Lord JERSEY.—The cost of the line.

The PRESIDENT.—To the promoters or the government?

Lord JERSEY.—To the promoters. We must have some idea what the cost of the line would be; we must know how much is expected, of course. The same remark would apply to the Pacific line. In a matter like this, it is clear that neither Canada, nor Australia, nor Great Britain would give a subsidy, except it were in return for some service. As a rule, the subsidy is given under the belief that the quick conveyance of mails is a good service rendered by the company. Of course quick service is essential. I must point out that Great Britain would certainly want to know beforehand what the contributing parties were proposing to give towards the subsidy, what the Australian Colonies were prepared to give towards the line, and what the Canadian Government were proposing to give towards it; and it is essential we should know how much it is expected to cost, because, supposing a subsidy were agreed upon by Canada for the Atlantic portion of the line, and it was found the line could not be carried out in a satisfactory manner, where would Great Britain be?

The PRESIDENT.—We have taken care of that in our contract; the work has to be performed, or the subsidy ceases.

Sir ADOLPHE CARON.—I may say the four steamers would cost about two and a-half millions sterling; that is for the Atlantic service.

Lord JERSEY.—It must be considered entirely as a mail service, and the cost of that mail service is a very important matter. It could only come in that way, and the question which I hope the conference will consider is this: are they prepared to advise the postal authorities at home that it would be a great advantage to them—to the colonies—that the whole of the contracts connected with the mail service

should be re-considered in the immediate future, for the purpose of readjusting the subsidies paid to the different companies? No doubt a very large amount of money is paid by the Imperial Government for mail subsidies, and it is not going too far to say that the authorities at home are only anxious that that money should be used in the best possible way for the different parties within the Empire; that is to say, that the best mail routes should be chosen. Of course there is great force in what Mr. Lee Smith says, that in a matter of this kind one must go a little beyond the pecuniary considerations, because I think myself the creation of a good line of steamers would probably have such an effect that it would entirely revolutionize the Pacific, in a good sense; but I should like to find out what the different colonies of Australia are prepared to do in the matter, and what line of communication they wish to adopt, as between Australia and Vancouver: and also as to whether they think that the time is approaching when these mail contracts should be entirely re-considered. At the present moment there is a committee sitting at home prepared to deal with this subject. They will await the result of this conference, and the opinion of this conference must have a great weight with them, and they will not decide anything until they hear what this conference advises. But it will probably take some time to come to any conclusion, because of the dates when the different contracts will run out. At the present moment those contracts would run out at the beginning of 1895; they have been prolonged till 1896, and the China contract will not run out till 1898, and it certainly would be an advantage if all the contracts could run out at the same time. It would put the government in a much better position if they could make their contracts all at the same time, instead of having one of the contracting parties in possession, so to speak, for a number of years. I think with regard to some points like these, a little light might be thrown on the subject, and it would advance greatly the conclusion in the matter.

Hon. Mr. FOSTER.—Is there any particular period for which the home government gives subsidies—five or ten years?

Lord JERSEY—They were given for a certain number of years, which period expires, as regards Australia on the 1st of December, 1895, but the arrangement has been prolonged for another year; the China contract, does not expire until 1898; and it might be well that they should all expire at the same time, and so enable Great Britain, the colonies and the steamship companies to make a comprehensive contract. That would give an opportunity of then considering how much, if any, should be diverted from present contracts; and whether, as Sir Adolphe pointed out, if a fast line is arranged to go to Halifax or Quebec, a portion of the large contract with the White Star line should be diverted. What I should like to know is, what is the estimated cost of these lines? What are the general prospects of its success? Are there natural difficulties in the way of the fast line to Halifax or Quebec which would make that line undesirable, or are the difficulties only ordinary difficulties, which can be overcome in these days? As said before, the postal authorities at home will have to make out a case for the transfer of any contracts, or the diminishing of any subsidies which they are giving at the present time; and, in order to enable them to do that, they must have the fullest information which can be given to them. I might just mention that the postal authorities at home have made themselves liable for £45,000 for the western extension to Hong Kong and Shanghai, and that was done upon the very broad grounds that there is very great saving of time in taking that route; and

also that the steamers that carry those mails can be used for other purposes, when the occasion requires.

Sir ADOLPHE CARON.—Mr. Huddart is in Ottawa at the present moment, and I think that he could give us very valuable information upon the very point His Lordship has referred to, as to the cost of the different steamers and the number of steamers. He is a practical man, so far as that question is concerned, and I think he would give us very valuable information that we might not get from any others.

Hon. Mr. FORREST.—I do not rise to address myself distinctly to the question before conference, but I simply wish to remind the conference that our time is drawing very near a close; we have received valuable information, I admit, from all the speakers, but I think we have not time to go into a lengthened debate, and it would unquestionably be very much better if a distinct proposition were put before the conference to consider or two distinct propositions, as the case might require; and, as Canada holds the key of the position I suggest that we should get such a proposition put before us by a Dominion representative, so that we can consider the matter from a practical point of view. I think it is the best way, and will save time.

Mr. LEE SMITH.—My view is that we should first have a general discussion, and I would be prepared afterwards to move in the direction of a line; but I did not care about making any distinct proposition, because, in the whole of this conference, we have proceeded in this way, commencing with a general discussion in the abstract; and that in the course I have followed in the matter.

Hon. Mr. FOSTER.—I would like personally to hear the views of all the members round the board in an informal way.

Hon. Mr. FRASER.—I have listened with pleasure to the remarks of my friend Mr. Smith in moving his motion, and we all acknowledge that the more mails we have to Australia the better for all concerned, and the better for trade. Of course, as Lord Jersey has just remarked, the mail contract with Australia terminates in about a year, which contract has been extended, I think, for about another year. That was done quite recently, and there was a very strong discussion, at any rate in the Upper House in Victoria, regarding it. It was distinctly understood,—and the government made a promise,—that they would take good care that, in any renewal of mail contracts with either the P. & O. or Orient, one provision should be made for the carriage of frozen meat, butter, and such produce, and that has been agreed to, I think, by the companies. Well, now, I know there is a feeling, with some public men in our colony, at any rate, that it is more important to arrange for cheap transit of produce than for any great alteration in the mail arrangements. The arrangements at present are considered, I think, on the whole, very satisfactory. Of course, there is no doubt it would be an advantage if the speed could be increased; we all know that could be easily done; but with our cable system, that is not as imperative as the other view that I mentioned, viz., the cheap carriage of our frozen meats, butter, fruits, and so on. The prosperity of Australasia or Australia greatly depends upon cheap carriage of our immense quantities of produce.

Hon. Mr. PLAYFORD.—Cheap and quick.

Hon. Mr. FRASER.—Yes, cheap and quick. I recognize that quick despatch of huge cargoes of frozen mutton is inconsistent with cheap freight. Cheap freight is

the great consideration for our frozen mutton; and, even now, in Queensland they are making immense strides in that respect, and in Victoria we are just commencing to erect large frozen-warehouses, or frozen-factories; and I predict that, in a very short time indeed, the trade in that respect will be immense. We have in the four colonies 106,000,000 sheep, and we could easily increase them and multiply them if we saw a profitable outlet for the surplus produce. I am speaking now for Victoria, New South Wales and Queensland; and my interest in New South Wales and Queensland is much larger than in my own colony, Victoria. We can multiply our frozen mutton produce immensely, if we can see our way to dispose of it. In some cases we really have had to boil down large numbers of sheep, because we had no market. In one property I am connected with, the Squatting Investment Company in Queensland, on the border of New South Wales, you would be surprised to learn that we have had to boil down, for their tallow alone, 45,000 ewes, simply because we had no market, and no place to freeze them to advantage. Now, all that would be very quickly changed; and you can easily see that it is only a drop in the ocean compared with what we can do. Millions and millions of sheep have been boiled down in Queensland and New South Wales for their tallow. The boiling down establishments have risen like magic all over New South Wales and Queensland, and, of course, that is forced upon us; but that will not continue long when we come to make arrangement for cheap freight, and when we get those large ships built, like the "Gothic" and other ships carrying 80,000 carcasses of mutton, as I have seen when I was in New Zealand last summer. The lowest rate of freight we can get I think is three farthings per pound, and if they will carry at a rate like that, it will be very satisfactory. Mr. Forrest is perhaps better up in the matter of freight, because he has been discussing those matters; but it will be a great benefit to us to be able to have our frozen mutton carried at the rate of three farthings per pound. I think Thompson's line of steamers have made very favourable proposals to our government for the freight on butter per month; and we are moving more in that direction, I think, than in the direction of mails. I am afraid that the route across the Pacific and across the Canadian Pacific Railway would not be favourable to anything except mails and passengers. I do not think we can look forward to that route for anything except mails and passengers. I am speaking now for England—for Europe. Indeed, personally, I may say that I do not see very much hope of doing a trade that is worth mentioning with Canada in mutton. You are exporters of beef yourselves; we cannot expect to send you very much beef, and we do not wish to force a trade against your will. We would not do it, of course, if we tried. With the exception of the Pacific slope, we do not hope to do much trade in Canada in that line. With respect to mails, I think that if you had fast steamers across the Atlantic, which would also take a great portion of the traffic that now goes from the United States, New York and elsewhere to the old country, a great portion of that fast passenger traffic would go from Canadian shores to England. Then the mails, no doubt, could be accelerated in their despatch from Australia to London. We in Victoria expect to have some little share of the terminal advantages. I do not suppose we are able to say what we can do in that respect; it is, a matter for the Parliament and the government to consider; and, no doubt, the boats could arrive there and depart from here as well as from other colonies; but I am not personally in favour of that local isolated view; I should hope that our Parliaments would rise superior to that

because I consider that, whether passengers leave Australia from Sydney, Brisbane, or Melbourne, we ought not to look too narrowly into the place of arrival or departure; and the same can be said with frozen mutton or other products, because, of course Australia stands or falls as a whole. It does not stand or fall in an isolated view of the matter; and every advantage that can be gained by Sydney, by Brisbane, by Adelaide or by Melbourne is an advantage to the whole; and it is in that sense that I look upon it.

Hon. Mr. PLAYFORD.—Mr. Lee Smith has informed you that he did not expect South Australia or Victoria to join in subsidizing the mail route through Canada and the Atlantic. A glance at the map will show we lie at one end of the continent, and our route is by the Suez canal.

Mr. LEE SMITH.—Very largely.

Hon. Mr. PLAYFORD.—And I anticipate that that route will be continued, because, whatever you do with the fast service across the Atlantic, and an accelerated service across the continent, and a fast service across the Pacific, you will never be able to come up to the time made by the Suez canal, for the reason that the present mail service could be quickened a good deal; they could make a week difference in the service; they go along as slowly and comfortably as possible. They do not make time. When I travelled from the colonies to Naples, from Adelaide, we were not going full speed or anything like it, because we did not want to get to Colombo before a certain time. We met the mails from Hong Kong, Singapore and the Straits settlements, and we had to meet them on a particular day in Colombo, to deliver their mails to the Australian steamer, which carries them across that part of the Pacific Ocean into Aden, and on up the Mediterranean until they are landed in Italy. I am quite sure that that line will never be discontinued; it will be the quickest route under any circumstances, and if you want to make it quicker still you can do so and you can save a great many more days by not calling at Colombo at all, but making the Australian service go straight from Cape Guard, a place which is at the entrance to the Red Sea; instead of going the two sides of the triangle up to Colombo you need only take the one.

Hon. Mr. FOSTER.—Does it go straight to Colombo?

Hon. Mr. PLAYFORD.—Yes.

Hon. Mr. FORREST.—You would save 400 miles; that would be the difference.

Hon. Mr. PLAYFORD.—There is no doubt as far as the colonies are concerned, we are well served. You have the one mail route, England first to Asia, to carry the whole of the mails for India, for the Straits settlement, including Singapore, Malacca, and so on, for Hong Kong and for China and for Australia; they all go to Aden; at Aden there is a branch to Bombay; they have a branch steamer running into Bombay; when you get to Colombo the steamer discharges her mails for Madras, Calcutta, the Straits settlements, and Hong Kong, and she takes the Australian mails on to Western Australia, and along the coast till she reaches Sydney. As has been pointed out by Mr. Fraser, we have been agitated—in fact the whole of the colonies interested, and more especially Victoria, have been agitated—to get larger cool chambers provided by these steamers. Even leaving out the question of frozen mutton, which would very likely be better carried in large steamers especially fitted for the purpose, which are not required to go at a great rate of speed, because the more the speed the greater the expense, even leaving that question out of consideration, we

have two other products which we ship in large quantities. Victoria sends away butter; that requires to be got to London pretty quickly, because you want to send the butter into the London market at a time when their supplies from other sources are short. We can only do that by sending it quickly. The other article comes from Tasmania; that is fruit, and especially apples. They require quick transit for precisely the same reason as butter requires it, viz., to get them into the London market when apples are an exceedingly scarce commodity. At the present time these steamers have not sufficient cold storage accommodation, and they cannot carry the whole of the produce we have got by those two lines, apples on the one hand, and butter on the other. Therefore, we are agitating, and we shall insist, in any new contract we enter into with regard to those steamers, that they shall increase their cold storage accommodation, and reduce their high charges for the products. They charge 4s. 6d. for taking apples from the colonies to London, for forty pounds weight. That is an enormous charge. Under the circumstances the colony of South Australia, situated as she is, cannot very well agree to subsidize two lines of steamers; we will subsidize the one which suits us best; but we are absolutely prohibited at the present time from sending our mails by the Pacific route. At the present time the Pacific rates, either through the United States or Canada, are so high that every letter bearing a twopenny-halfpenny stamp costs the government fourpence.

Mr. LEE SMITH.—How do you pay?

Hon. Mr. PLAYFORD.—We pay on letters 1s. 6d. a pound from our colonies to San Francisco. Then we have the transit rates through the United States; the territorial rates are sixpence per kilo, and the Atlantic Sea transit 5 francs per kilo; Canadian rates are 2 francs per kilo across Canada. On a letter with a twopenny-halfpenny stamp, if we send our mails through either of these routes, we have to pay four; so that we lose very considerably by it. By the other route it comes to about the amount of the postage, and, therefore, in that route, we do not lose much if at all.

Hon. Mr. FOSTER.—Do you subsidize any freight steamers?

Hon. Mr. PLAYFORD.—No, we subsidize no freight steamers, and the chances are we are not likely to. Now, there is another agitation getting up in our colony, and that is this, that we ought to give very little subsidy, or no subsidy at all, and depend upon the ordinary passenger boats for bringing our mails, because every vessel is bound to carry letters, bound to carry at fixed price to any port she may be bound for, and there is a very strong feeling in our colonies that, if we subsidize the steamers at all, it will not be so much for carriage of letters in the future as it will be for the carriage of produce, and increase our commerce in that way. Under the circumstances, I say to the conference that South Australia cannot agree to subsidize any mail line of steamers; we are inclined to make our subsidies for the Suez route, which will be our natural route under any circumstances, as low as we possibly can, to make it less than we are giving at the present time. There is a strong feeling in the colonies, that if we do subsidize it, it will be more by the way of helping them to provide cool quick transit to the European markets than for any other object.

Hon. Mr. SUTTOR.—In discussing this resolution in the abstract form submitted to us, I think that, in a matter of this kind we might have been invited to consider some more definite proposal than that submitted to us; and, as we have been invited here to attend this conference by Canada, perhaps we should not be expecting

Colonial Conference.

too much if we looked to the Canadian representatives for some definite suggestions with regard to this proposal which emanates from them. Now, with reference to the speech just delivered by Mr. Playford, I am inclined to think that all the colonies are somewhat in the same position as South Australia. They are all fairly well served with their mail service now; although South Australia is in the position, that she gets her mails quicker than we do from the United Kingdom; still, if this mail service is to be established with a view to bringing us all into closer relationship with Canada, it is not unreasonable to expect that all the Australian colonies should contribute towards the desired end. That my colony is in favour of closer relations with Canada is proved conclusively by the very fact that we are now the only Australian Colony contributing towards the mail service from Sydney to Vancouver, and, therefore, it is not necessary for me to show how desirous New South Wales is to enter into closer communication beyond mentioning that fact. I think the representative of Canada (Sir Adolphe Caron) rather misunderstood Lord Jersey when he said Mr. Huddart could give him the information; because I think the information Lord Jersey desired was not the cost of the steamers Mr. Huddart was about to construct, but the cost of conveying the mails from one point to the other; that is, taking the cost of the subsidies required to carry out this service, and deducting from that the receipts in the shape of revenue from letters, would give generally the estimated net loss from the service.

Hon. Mr. FOSTER.—Simply on the mail matters?

Hon. Mr. SUTTON.—Yes; I think that could be easily done. If, in future contracts, we are to consider the proposals thrown out by Mr. Fraser and by Mr. Playford, that in entering into mail service contracts we are to require that the contracting parties shall provide a certain amount of cold storage accommodation of a particular character for the carriage of goods, and stipulate that these goods shall be carried at a certain rate, I think both these gentlemen will admit they are entering into a new principle with regard to these contracts; and the consideration will be what we are going to expect these large steamers to carry cargo for, rather than what they are going to charge for carrying the mails. I am rather inclined to agree with Mr. Playford that the time is not far distant when we shall be justified in withdrawing all subsidies from steamers, and that the communication between the different parts of the Empire will so increase in the way of mail matter that we shall be able to pay them a certain amount of poundage, which will be sufficient to justify these steamers in carrying their mails and continuing the service; but I think that this mail service between Australia and Vancouver stands rather upon a different plane than that, and I am of opinion that, in considering this matter, we should look at it from a national point of view, because, if we are going to bring about these trade relations which we have been called upon here to consider, in order to bring the different portions of this Empire into closer harmony with each other, we cannot do better than assist, in the way my colony is doing by the mail service now in existence. An appeal has been made to the imperial authorities, and it has been suggested in this debate that the Imperial Government should subsidize this line on the ground that it ought to subsidize all mail routes in its interests as well as in those of the colonies. In this particular instance there are certain claims upon the Imperial Government which should not be ignored. This line from Sydney to Vancouver now calls at Fiji. Fiji has not contributed one cent towards the cost of the line, and yet

Fiji is now being brought more directly in contact with New South Wales and the Australian colonies and Canada than it ever was before. Now, if we are going to continue this service, I do not think we are asking too much in inviting the home authorities to assist in the expense. Here we have a Crown colony now placed in better communication with the mother country and the Dominion of Canada and the Australian Colonies, and I think upon that ground alone the imperial authorities ought to assist. I am glad to say in reference to the statement I have just made, that I have been informed by Mr. Mercer that there is an amount of £1,500 in the imperial estimates for a subsidy towards this mail service.

The PRESIDENT.—Is that information you would like to have placed upon the records, or is it for our information simply?

Mr. MERCER.—There is no secret about it. The Secretary of State recently authorized the colony of Fiji to place the sum of £1,500 in the estimates for the current year.

Hon. Mr. SUTTOR.—I have been informed that there is a sum of £1,500 to be submitted to the Imperial Parliament for their consideration.

Mr. MERCER.—That is a colonial estimate, a Fiji estimate.

Hon. Mr. SUTTOR.—Voted by the Imperial Parliament?

Mr. MERCER.—No.

Hon. Mr. FOSTER.—As a Crown colony the imperial authorities would authorize the Colony of Fiji to place £1,500 in the estimates.

Hon. Mr. SUTTOR.—I am informed that the Fiji Government is prepared to pay £1,500 towards subsidizing this line. I am glad to hear it. Although we are considering this question from a general point of view, we cannot ignore the fact that New Zealand is desirous of having this line call at one of her ports. Although I did not catch Mr. Smith's statement exactly, I thought that was his proposal.

Mr. LEE SMITH.—I absolutely avoided any reference to route or the interests of any particular colony. Of course, I am going to speak on that matter when we get into particulars.

Hon. Mr. SUTTOR.—If on another day we are going to discuss the matter in a more definite form than now, I think I had better reserve my remarks till that time.

Mr. LEE SMITH.—It would never have done for me to have come here, until after the general discussion, to propose a definite plan. I thought it very probable that the Canadian Government would suggest something.

Hon. Mr. SUTTOR.—If we are going to debate this now as a general principle and later on some proposition is going to be made of a definite character, I will not now discuss the different proposals that may be made with regard to this route. I am prepared to discuss the question, after the statement of Mr. Smith, from a national point of view. We cannot expect it to be a successful mail service if it is not going to accelerate the transmission of our mails between England and Australia, and I think we must all agree that it is desirable that this mail service should run in the most direct line possible between Vancouver and Australia. That being so, it would be ridiculous to suggest that the service should take in one or another point which in every case increases the distance. I am quite prepared, if we are going to discuss this matter later in a definite form, to let it stand just now. It is a pity if we are going to take up the whole morning discussing it on

general principles and then occupy a whole day later discussing it in a definite form. I think we might have some definite amendment now.

HON. MR. THYNNE.—I think it would be better to wait until the matter is discussed in detail. Then I shall be prepared to discuss the matter more effectually. I can only say this: That we have heard several of the different colonies put forward their idea, and it will be quite apparent to those who do not belong to the Australian colonies that in our present condition of separation from each other, it will be very difficult indeed to bring the Australasian colonies together in line upon any one proposal until we are in a position to deal with a question of this kind as one large question between Australasia and Canada. It is a very difficult thing indeed for us to bring our diverse and separate interests into joint action. We have heard the western colonies, South Australia and probably Western Australia say: "We can have nothing to do with this line, it does not touch us." We have Victoria saying that it may not help them, but if the steamers will touch their ports they will be prepared to consider the question of support, and, without that, very probably there will be difficulty in persuading the government to support it. New Zealand wants to know whether this line is going to call at New Zealand at all.

MR. LEE SMITH.—I never alluded to that.

HON. MR. THYNNE.—My friend is careful to refrain from that. His refraining from mentioning that strengthens my view as to what New Zealand wants. I do not think that Queensland is any worse than the others. We have our Parliament to consult. If the Government of Queensland desires a mail service to Canada we are prepared to go as far as we can, but the details, I think, should be left until the definite discussion takes place. I do not think any one can claim any great amount of patriotism in this matter. The governments are in the position that they have to please the constituencies they represent in their own province. Beyond an expression of the general desire to support this as far as our governments possibly can do, I do not think we can add anything more.

HON. MR. FOSTER.—I have been pleased so far with the discussion that has taken place and with the general interchange of opinions that we have heard. Of course, Canada is very vitally interested in this, her position being in this respect much the same as the position of some of the colonies of Australasia on the cable; that from a selfish point of view her interests are much larger. I do not think that we who represent Canada here can at all fail to appreciate the expression of sentiment which has been given by the representatives of the different Australasian colonies, that have spoken. There is no one of them but has evinced a sympathy with the alternative route. I think we may take that for granted. All parts of Australia would be favourable in so far as that goes to the establishment of an alternative route via the Pacific Ocean through Canada to Great Britain. While we all agree upon that, I think it is of a very great deal of importance for the whole undertaking that the conference should agree upon some expression or some particular opinion as regards it. I am trying to feel my way as to what would be the terms of a resolution upon which we can agree. We can all agree, as far as expressing our sympathy with the undertaking is concerned. There are certain large advantages, from an imperial point of view, which would be gained by establishing the alternative route. The very arguments which took place with reference to the necessity of an alternative cable route through a British territory, as regards times of upheaval and war, would apply to the alternative mail service which goes enti-

rely through British territory and touches at British ports and through a comparatively peaceful ocean—the Pacific Ocean. So that as far as that is concerned the colonies are interested in the Imperial point of view, to a certain extent, selfishly because if upheaval did take place, and the Suez service was interfered with, this alternative line would be of great importance to these colonies. We can all agree then, that as far as that aspect—the imperial and large intercolonial interest is concerned, benefit would come from the establishment of that alternative route. Then again, I think there is something else upon which we can all agree, and the Australasian colonies themselves are mutually interested in it. If by the establishment of a route from Australia via Canada to Great Britain, a saving of time can be made over and above what is made now, an alternative competing route can be opened up, even South Australia and all the other colonies lying on that side, would reap the benefit from the improvement in the service, the improvement in time, and the competition which will take place in rates, because there will be active competition without doubt. The whole point that is very strongly urged is that the swiftness of a fast service would be of a great advantage over the existing routes. That will spur on the existing route and in this competition there will come a great advantage to the Australasian Colonies in a direct way. Therefore, I suppose it is not difficult to agree to ask the sympathetic consideration and every possible co-operation of the Australasian governments and the interests of the Australian Colonies and Canada would not be very far apart. These are points upon which we can certainly all agree. We have some claims and some grounds upon which we can approach the British Government in this respect. Very kindly indeed she has met our representations in reference to the China service, and she has put her hand into the treasury, and assisted that service jointly with Canada. She gives very largely for the mail service crossing the Atlantic to-day. It would not be at all out of the way for her to consider as circumstances will allow, at least, the diversion of a certain part of that service for which she pays across the Atlantic to come via this new line. There is, I think, the very great advantage over and above all this which may be put before the British Government, the advantage of having upon the Pacific—which is to be the ocean of the future, which is to be of far greater growing importance in the future than in the past—I say it would be a great advantage in the Admiralty point of view, that vessels of the class which would be built to carry on this service could be fitted up for armed cruisers to be established on that ocean in case of war. That is more easy, because it is the settled policy of the British Admiralty to take advantage of the mail steamers in that way. Well, taking all these things into consideration, with the larger interests as well as the smaller interests, it seems to me that we have a fair case on which we can beg the consideration of the British Parliament. Now I submit, that we might agree to a resolution like this: Expressing in the first place our united sympathy with the establishment of an alternative line, declaring our willingness, so far as we reasonably can, to assist the enterprise, and to ask of the British Government a sympathetic consideration of aid for the service. Queensland has expressed her sympathy and her disposition to assist if it could be reasonably done. Mr. Thynne has very well given an expression of it in a few words, and Mr. Suttor and Mr. Lee Smith will find no difficulty. One has already given tangible proof of his practical cooperation and, if the matter of ports could have been arranged, I understand Queensland would be in the same position with reference to it. New Zealand has a large interest in it, because it would open to her a mail service of great benefit,

and Fiji has practically shown her interest by the way in which she proposes to put an amount in her estimate. I think we may easily come to a conclusion on these lines and draft a resolution which will meet the views of this conference which I am sure will have great weight with the British Government. Canada has strained herself almost to the utmost in these matters. What have we done? I might mention—not in any boasting way—that she has taken a strong view in that particular. After we had developed our country to a certain extent, we decided that what we needed, was to stretch out the arms of communication to all the different outlying countries where we could possibly make good interchange and communication, so we have put our hands in our pockets to the tune of \$73,000 for the Hong Kong service. That we paid for our communication with China and Japan. We have subsidized a new steamship line to Australia by a vote of £25,000 sterling—a large subsidy. We have opened communication with the West Indies, and to which the West Indian colonies contributed not one farthing to furnish. This has cost us considerably over \$100,000 a year. We have come to the conclusion, and will ask Parliament on Monday or Tuesday next to ratify that conclusion, that for this fast Atlantic service to which in a certain extent we are bound by previous communication with Great Britain, because Great Britain gave to the China and Japan line largely with a view that we were going to have an accelerated Atlantic service—although we first voted half a million of dollars a year, which we thought a large subsidy—we will go still further, and vote \$750,000 per year for ten years and \$300,000 per year for ten years thereafter, for a proper kind of Atlantic service between our shores and Great Britain. I think that is a practical sympathy, which on the whole runs up closely to a million and a half of dollars which when these services are all completed we will be paying for steamship purposes alone. That is a large amount considering our revenue. We have, therefore, shown our view by the heavy subsidies which we have either given or which we are about promising to give. Consequently, the conference will see that we are deeply interested in this matter, and if the conference can pass a resolution, something on the line of which I have spoken, to assist our plea that the British Government should enable this communication to be carried out in its entirety, we shall be pleased indeed. After all, what a grand thing it would be to circle the globe with a British service, because that will be practically encircling the globe with a British service! Then a man in London can simply buy his coupon tickets for Sydney or any of the Australian colonies and stop off where he pleases, in crossing the continent, because the line will be one continual service. It would be practically beneficial in the point of prestige, which is also a strong argument in its favour. It would bind together very greatly the colonies and the mother country in that unity of interests which we all agree is essential for the permanence and stability of the Empire. I just make these few general remarks and I am glad to have had heard such unanimity of opinion on this important matter, and I hope we will have a resolution of this conference in favour of that general line of communication.

Sir HENRY DEVILLIERS.—The delegates from the Cape of Good Hope have taken no part in this discussion for the obvious reason that we are not directly concerned in this service. I think so far as we are concerned it would be against our interest to encourage the steamship service between Canada and Australia, but we are inclined to take the imperial view of this question. We think we ought not say a word which might stand in the way of communication between Australia and

Canada being increased in the future. At the same time we hope that we shall not lose entirely the trade which has existed round the Cape of Good Hope, hitherto between Australasia and Great Britain. We hope that in spite of any subsidies which may be given, that the trade around the Cape of Good Hope between Australia and Great Britain will continue. At all events we are not going to ask the Imperial Government or this conference for any subsidy. It was at one time prognosticated, when the Suez canal was made, that we should lose the trade round the Cape of Good Hope. That has not been so. The Cape of Good Hope has maintained its position and I have no doubt the Cape of Good Hope will still be able to maintain its position notwithstanding increased steamship communication between Canada and Australia.

Mr. LEE SMITH.—This is a very good time for me to enlarge the scope of the discussion, after the remarks which have been made as to the abstract nature of the proposition which I have submitted to this conference. I admit I am somewhat surprised at the criticism that has been made, as all our discussions have been of an abstract nature and this question was brought forward purposely in this way to meet the views of the conference. I think it would be of interest if I lead the way and explain to the conference what I think my colony is prepared to do. I am going to take some responsibility on my own account regarding a matter which my government as yet knows nothing about, but which I think after hearing my explanation my government will agree to. Now, sir, a few remarks have been made as to New Zealand. Mr. Thynne has stated that New Zealand has a greater interest in this question than any other colony. I will admit at once that I do attach a great deal of importance to it and I may say at once that my colony is prepared to give a very liberal subsidy towards this mail service. I will tell you what that is, Mr. President. We will give £10,000 straight out, if the service call at Auckland, on its route to Sydney. I am sure it will make a difference of thirty hours only between Vancouver and Sydney, but more than that, as it has been suggested that this question could be looked on very largely from an imperial point of view—and I agree with that cordially, seeing that we have thought so much of the desirability of making the communication between our colonies and the mother country from an imperial point of view—I will go further. I will recommend my government to give £1,500, from that point of view, if the other colonies disregard this question altogether from trade connection, but as an imperial service, and recommend their colonies to do the same thing.

Lord JERSEY.—As a supplemental ?

Mr. LEE SMITH.—Yes, my Lord, from an imperial point of view, and that will test whether the other colonies are desirous of giving force to their remarks that there is an imperial aspect to the question. If they will not do that the imperial point of view of the question vanishes into thin air. We will give £1,500 a year which we might regard as a subsidy given on purpose to promote so far as we can the consolidation of the Empire.

Lord JERSEY.—Hear, hear.

Mr. LEE SMITH.—Always understanding that the British Government assists the Canadian Government in a manner to enable this service to be what we hope and expect it will be. It will not be satisfactory to us unless it is equally as good as the service via San Francisco as regards the connection across the Atlantic. I

throw this suggestion out as hon. members have thrown down the gauntlet in a straight manner, expressing the opinion that the matter should be considered from an imperial point of view.

Hon. Mr. FITZGERALD.—Is this offer contingent upon the necessity of these mail steamers touching a New Zealand port?

Mr. LEE SMITH.—They must stop at Auckland.

Hon. Mr. FITZGERALD.—Would not the connection with Auckland involve a lengthening in the time of the passage to a port on the Australian continent to Vancouver?

Mr. LEE SMITH.—It makes a difference between Vancouver and Sydney of thirty hours.

Hon. Mr. FITZGERALD.—It is more like 48 hours.

Hon. Mr. SUTTOR.—It is 800 miles on the map.

Hon. Mr. FITZGERALD.—This 48 hours destroys entirely the advantage as regards speedy communication between the other colonies and Vancouver, and consequently the offer of New Zealand will affect rapidity of mail carriage.

Mr. LEE SMITH.—Mr. Fitzgerald does not describe my attitude fairly. I only ask that the other colonies give £1,500 a year from an imperial point of view, and it is immaterial from that aspect whether it is one or two days later or not. I know that the present Postmaster General of New South Wales, at the conference held in Wellington last March, said that they regarded this more from a trade point of view than the mail service and they would not object to the steamers calling at Auckland. If we were asking Southern Australia, or Tasmania, or Queensland, to give £10,000 to it, then Mr. Fitzgerald's answer would be proper. When I am only asking to give this vote on the imperial aspect of the question, then I think Mr. Fitzgerald's remarks are not at all applicable. In this aspect it does not matter whether it is one or two days longer or not. I am going altogether beyond my power with regard to this £1,500, but I feel perfectly sure, when I explain to my government the reasons why I have done it, they will at once endorse what I have done.

Sir ADOLPHE CARON.—With the permission of the conference I would prepare a proposition, which I would submit to Mr. Smith, Mr. Sutor and the other gentlemen and we would try to arrive at a satisfactory conclusion on this question. Then I would submit it to the conference on Monday morning. It would be the practical way of dealing with it, because we have heard the views already expressed, and I think by consulting together it may be possible to arrive at a conclusion that would be satisfactory to the conference.

Hon. Mr. THYNNE.—I might be permitted to add what I said a little time ago on the general question. Reference was made to the Queensland mail service which is said to be one exclusively for Queensland. That is so. Queensland has subsidized a mail service on the British India steamers with the old country. That mail service is the quickest mail service in the present time in existence for a part of Queensland—the northern portion of Queensland. Of course, you all know we have a very long coast line in Queensland and it takes a very considerable time going from the north to the south—some 1,500 or 2,000 miles. As a mail service for about one-half of the northern half of the coast line of Queensland it is the quickest service available, as regards the rest it is also a very useful service, because it is a cargo service as well as a mail service, and we have come in Queensland to look

upon the question of subsidizing lines of steamers as a cargo service, and not altogether as a mail service; and this is a question which may come up as a practical solution before very long, that to encourage our trade, we may be giving subsidies to lines of steamers not only from the point of view of a mail service but the point of view of benefiting the country by a reliable and steady means of exporting perishable goods especially. I mention this for two reasons: Queensland now subsidizes to the extent of something under \$20,000 for a mail service which could not be supplied by another subsidy to other lines which the other lines are not capable of supplying. I mention this to let the members of this conference understand that the Government of Queensland always has a rather difficult matter to adjust, because the claims of the different portions of the colonies have always to be considered and adjusted in dealing with propositions to benefit one portion. We have to consider the feelings and influence as well as the political influence of the people of the other provinces.

The PRESIDENT.—Do I understand you to say that the mail service you now subsidize could not be secured by any other route?

Hon. Mr. THYNNE.—The quickness of the service to the northern portions of the colony which we get by the Queensland mail service could not be supplied by any of the other subsidized lines at the present moment.

The PRESIDENT.—Would it not be supplied by a direct fast line from England via Canada across the Pacific?

Hon. Mr. THYNNE.—The fast line would touch at some place which would supply the whole of the colony.

The PRESIDENT.—Would not the line touching Brisbane accomplish the same object?

Hon. Mr. THYNNE.—Not quite to the same extent.

Lord JERSEY.—Although there might be very good reasons, from an Australian commercial point of view, in some of the arguments which have been advanced, still the great point before the conference is the mail service. The Imperial Government could not be expected to look on this question from a commercial point of view. They might look at it from an imperial point of view and the postal point of view, and I venture to think if the conference is going to base its ground upon cold storage, and things of that kind, they will probably lose a good deal of support they might get otherwise.

Hon. Mr. FORREST.—I had not any intention of speaking further at the present time until I heard the remarks that have fallen from some of the latest speakers. It is just now possible, however, that a motion will come before us that we can agree to without any discussion. So far as a mail service between England and the Australian colonies is concerned, I think in point of time it will be very difficult, if not impossible for the Vancouver service to compete with the Suez route, and the time by latter route can easily be reduced. There is no better way of understanding the position than to get at the facts, and there is no quicker way of getting at the facts than to relate them exactly. I have only recently come from Australia via London to Canada. I travelled in one of the new P. & O. ships, the "Australia." When travelling between Albany and Colombo we did not travel at full speed because there was nothing to be gained by it. The captain then had to wait at Colombo for the "China" and some of the Indian mails. We were three days at

Colombo. The "Australia's" best speed is $17\frac{1}{2}$ knots. We lost eighteen hours at Aden waiting for the Bombay mail. The P. & O. Co. have on the stocks at the present moment and will have on the sea within four or five months a vessel to carry mails to Australia. She is a 20-knot boat and she is only one of a certain number. I need not go over the ground pointed out by Mr. Playford. He has shown the conference if you go direct from Aden to Australia, we can shorten the routes by the present ships, at least five days. Speaking for myself, I do not see really that Australia has much to gain by this service as a mail service. There is no good shutting our eyes to it, other people will see it. I do not think it will be of any great service to us, and in this connection I would like to refer to what has been said that if we had this line in times of trouble we would have safety, and that the same arguments that were advanced with regard to the cable might be advanced with regard to the mail service. This is not the case with all due respect. If we had the cable and could keep that open, it would not make very much matter whether we had any ships on the sea at all, under the conditions of war. In fact in these days, whether the battles are on sea or on land, they are short, sharp and decisive, and the chances are the whole trouble would be over before we could get word by the mail steamer. Therefore, as far as this question of safety is concerned, if we had a cable and kept in touch with Great Britain, it would not make much difference whether we had ships or not.

Hon. Mr. THYNNE.—The cable is the most important?

Hon. Mr. FORREST.—The cable to my mind is of far greater importance as far as imperial connection is concerned, but at the same time, I cannot rest here believing as I do that we should have better trade relations between the Australian colonies and these great provinces here. I forget the exact figures, but if I remember rightly the trade with Australia last year was only about \$100,000.

Hon. Mr. FOSTER.—It was far more than that.

Hon. Mr. FORREST.—At all events it is a very small trade.

Hon. Mr. FOSTER.—It is quite a respectable trade for a beginning.

Hon. Mr. FORREST.—I would like to see that trade increase, and we all know that a freer means of conducting trade often creates trade and, therefore, I would be very glad to see something done in the way of starting a subsidized service between the Australasian Colonies and Vancouver. I would like very much to hear some expression of opinion from the Canadian delegates who thoroughly understand the question how this trade is to be carried to any very great extent between the Australian Colonies and the Canadian Dominion by way of what is called, its western gates. There is not, I understand, any great extent of good country to be opened up at the western side; at all events the bulk of the population is on the eastern side and I fail to see how we can carry on a trade successfully by sending goods about three or four thousand miles by rail from the western coast to the population. It may be that the cost of conveying the goods can be reduced to such a rate that it can be carried on. I would like to get some information in that connection. I know that you do charge very low rate. Our neighbours across the borders have reduced railway freights until they are almost as cheap as water rates.

Hon. Mr. FOSTER.—Freight carriage in the east is more than divided between the railways and Erie canal.

Mr. LEE SMITH.—It appears to me that I have offered to give this money to the extent of £1,500 on the supposition that we are to have a mail service leaving New Zealand as the last port of call. I would recommend, to test this idea of confederation and love for our mother country, that that be given also by the other colonies.

The PRESIDENT.—Is it not advisable now to pass this motion? It simply says that it is advisable to take this question into consideration. It has been fully discussed. I may state that Mr. Huddart is here and we might as well hear him.

Hon. Mr. FORREST.—I wish to point out that if we establish a line of steamers with Canada we hope to increase our correspondence with Canada. If we are not going to increase our trade and correspondence with Canada what is the use of establishing steamers? In this connection I think we would be entitled to imperial sympathy.

Mr. James H. Huddart was then invited to sit with the conference.

The PRESIDENT (addressing Mr. Huddart).—Mr. Huddart, the conference has been discussing the fast Atlantic line and also the connection with Australia from Vancouver. Some questions have been asked with reference to the probable cost and what subsidies you would think would be necessary in order to make it a success. You might give the conference whatever information you desire on this matter. Of course it must be approximate to a certain extent.

Mr. HUDDART.—There are two propositions as regards the Pacific line. One is to make the present monthly service into a three-weekly service taking in for the present the subsidizing governments and the port of Auckland and then Fiji and Honolulu as at present. That can be done all the year round quite easily and readily with three steamships. There is another proposition on the Pacific to have three steamships but to make the sailings more frequently, at least during half the year. say three-weekly or if business justified it three steamships might make the service all the year round three-weekly. Then there is the larger project of making Canada the great imperial or alternate highway between the United Kingdom and Australia and the Islands of the Pacific. On the Pacific that would involve five steamships of a high rate of speed. That project is taken up in connection with your proposed swift Atlantic steamship service and your government, the Canadian Government, are prepared to subsidize a steamship company to the extent of three quarters of a million dollars per annum. I may say here, that the success of the Atlantic service depends almost entirely upon the British Government. Four boats will have to be provided, capable of steaming in ordinary Atlantic weather all the year around 20 knots at sea. In order to maintain that as a through service from Sydney to England, these four Atlantic boats will make a weekly service on the Atlantic and five steamships will make a fortnightly service from Sydney on the Pacific. That would involve subsidies from Australia of at least £50,000 sterling per annum.

Lord JERSEY.—From Australasia.

Mr. HUDDART.—Yes, my lord.

Lord JERSEY.—In addition to the Canadian subsidy?

Mr. HUDDART.—In addition, of course, to the Canadian subsidy and in addition to the Imperial subsidy. These nine steamships would be a great cost. The capital that would be required for that number would be £3,000,000 sterling.

Hon. Mr. FOSTER.—That is for the larger project?

Mr. HUDDART.—Yes.

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Lord JERSEY.—Do you mean including the Atlantic and Pacific?

Mr. HUDDART.—Yes, the project is, my Lord, to have the thing under one management.

Lord JERSEY.—Do I understand the company would require a capital of £3,000,000 in order to carry out the two lines of steamers—a fast line from England to Canada and a fast line from Canada to Australia?

Mr. HUDDART.—That is, my Lord, in connection with the larger project of a fortnightly service on the Pacific and weekly service on the Atlantic.

The PRESIDENT.—Five steamships on the Pacific and four on the Atlantic; a weekly service on the Atlantic and a fortnightly service on the Pacific. That is the larger project.

Sir HENRY WRIXON.—Is that to go all the year round—winter and summer?

The PRESIDENT.—Yes, all the year round; Halifax or St. John are our winter ports.

Lord JERSEY.—Have you data as to the regularity of the steamers now going to Halifax in winter?

The PRESIDENT.—They are smaller boats; yet you can calculate their time to half a day in winter.

Mr. HUDDART.—That can be done on a capital of two and a half million pounds sterling from England to Australia, with threesteamships on the Pacific.

The PRESIDENT.—You have asked from the British Government, in addition to the other subsidies, £25,000?

Mr. HUDDART.—That was before we took up the Atlantic scheme. We are asking the British Government to consider the Atlantic scheme, conditional that the steamships conform to the Admiralty requirements.

Lord JERSEY.—What is the total amount of subsidy you ask from the various parties for the first-class steamers?

Mr. HUDDART.—For the larger scheme £300,000, divided up;—On the Atlantic £150,000 sterling, as proposed, £25,000 sterling which is now paid on the Pacific—both by Canada—which remains untouched, the Imperial Government £75,000, and the Australasian Governments £50,000.

Lord JERSEY.—Have you not anticipated that this will be run at a great loss, as that would be 10 per cent upon the estimated capital?

Mr. HUDDART.—These subsidies are only proportionate to the subsidies already being paid by the Imperial and Australian Governments.

Lord JERSEY.—That is not an answer to my question. The question is: Do you anticipate the line to be run at a great loss, because you see it is a pretty good guarantee?

Mr. HUDDART.—These subsidies for the first period will be absolutely necessary for the success of the scheme.

Lord JERSEY.—Why?

Mr. HUDDART.—On account of its being a new and costly service at the start. There is no such service in the world.

Lord JERSEY.—Can you form any idea of the probable receipts?

Mr. HUDDART.—Yes, we have formed our ideas and we anticipate that these subsidies will be required for the first decade.

Sir HENRY WRIXON.—How long do you contemplate these subsidies should run?

Mr. HUDDART.—Ten years.

The PRESIDENT.—(To Mr. Huddart) I may say anything you say here can be considered confidential, if you so desire, and any reference to your scheme will be eliminated from the official report if you do not require it to go in, because that is the principle upon which we have conducted this conference. Many things are said which we do not care about getting into the newspapers.

Mr. HUDDART.—That is the result of our calculation. I did not bring the papers with me to America.

Hon. Mr. PLAYFORD.—Do you wish that to go to the public?

Mr. HUDDART.—It is no secret. It is a public question. I shall try to answer any questions you may put to me.

Hon. Mr. FORREST.—I thought I heard you answer to a question that it would require £300,000 in subsidies?

Mr. HUDDART.—Yes, for the larger scheme.

Hon. Mr. THYNNE.—Can you divide the estimate of the proportion between the Pacific portion and the Atlantic portion? Can you say what amount you proportion of the £300,000 between the Pacific and the Atlantic?

Mr. HUDDART.—That is not easy, Mr. President. If you take the larger project, where you expect to have fortnightly mails as between Australia and Great Britain, we will take half their mail. New South Wales has already given us £10,000.

Hon. Mr. THYNNE.—It might be convenient for the conference to have that information. How would you divide the proposed estimate of the proposed subsidy between the two branches of the service?

Mr. HUDDART.—I think it is set out in that paper of Sir Charles Tupper how it is divided at present. It is merely a matter of book-keeping between the London and the Australian offices.

Hon. Mr. THYNNE.—You ask for £300,000 in subsidy. How much do you ask for the proportion of the Pacific line and how much on account of the operation of the service on the Atlantic?

Mr. HUDDART.—The one is joined to the other. If that question be asked me in connection with the larger service it must be dealt with as a through route, and I cannot divide it.

Hon. Mr. FOSTER.—Will you give us the figures as to the smaller project. That would be a monthly service on the Pacific, possibly three-weekly after a while, and the weekly service on the Atlantic.

Mr. HUDDART.—We have been disappointed in our subsidies. New South Wales and the Canadian Government have the credit entirely for the success of this line. We asked at the outset the same amount from Australia as Canada gave, namely: £25,000. We asked for that and we are still waiting for it.

Hon. Mr. FOSTER.—Of which New South Wales gave £10,000.

Mr. HUDDART.—Yes, New South Wales gives £10,000 sterling.

Hon. Mr. FOSTER.—That leaves £15,000 to be provided yet, and New Zealand would give you that.

Mr. HUDDART.—New Zealand has already made an offer informally. I should like if this conference could express an opinion as to the desirability of our taking up that route.

Hon. Mr. FOSTER.—What is your view as to the practicability of taking in Auckland, with reference to the success of the whole through route in point of time?

Mr. HUDDART.—Mr President, if you are considering now the smaller project, I think it is wholly in favour of going to New Zealand. New Zealand is a third colony of the Empire, looking at it from a federal point of view, and it would give to them an improved mail service. We should get at once half their through mails and I know that passengers follow the mails. We should open up a great trade route in competition with San Francisco which has been doing a subsidized business for 25 years. That will give Canada an opportunity of opening up trade there and increasing the trade possibilities with Australia.

Hon. Mr. FOSTER.—There is no doubt, it seems to me, as to the value of that connection. How long will it take to make that connection as a deviation from the present route?

Mr. HUDDART.—We started out never intending to make Sydney the last port of call in Australia. It was intended to be Queensland. We started out intending to call at Moreton Bay. We had to abandon that after two or three months, and the addition in hours to this route in calling at Auckland instead of Moreton Bay would only be 36 hours. It will be 60 hours to Sydney as against the present direct route to Fiji, roughly speaking, but as against Moreton Bay it will be 36 hours.

Hon. Mr. FORREST.—It took us four days 12 hours from Sydney to Auckland. Sixty hours will not do it. It will take nearer four days than three days.

Hon. Mr. SUTTOR.—From Sydney to Fiji is 1650 miles, from Sydney to New Zealand is 1280 miles, and from New Zealand to Fiji is 1172 miles, and that will increase the distance by 803 miles if you go round by New Zealand instead of going to Sydney, and then there is the time for discharging or shipping cargo.

Hon. Mr. FOSTER.—It will take the most of three days.

Hon. Mr. SUTTOR.—One of your strong arguments is that you ultimately hope to deliver the mail between London and Australia quicker than by any other service?

Mr. HUDDART.—For New Zealand, Sydney and Queensland, particularly.

Hon. Mr. FOSTER.—You can do that and take Auckland in?

Mr. HUDDART.—I think I have shown that.

Hon. Mr. SUTTOR.—It will take you at least between 70 and 80 hours longer than going direct by way of Fiji. How long would you lie at Auckland?

Hon. Mr. HUDDART.—I reckon 12 hours at Auckland.

Hon. Mr. SUTTOR.—So it will take you 70 hours extra time if you go round to New Zealand instead of running direct to Sydney as at present. Would it not interfere with your desire to establish more rapid communication between England and the Australian colonies than at present?

Mr. HUDDART.—That is unavoidable. There is no use running with empty ships, if you can get a big trade with New South Wales and New Zealand, Australia, generally, and Canada. I touch upon the New Zealand point in my paper.

Hon. Mr. SUTTOR.—You must argue from your rapid mail point of view or the trade point of view. Which shall we consider it?

Mr. HUDDART.—I submit in the interests of Australia we should have a rapid mail service and we should not ignore New Zealand. We have to remember that by going to New Zealand we do business with 750,000 people and get half their mails.

Mr. LEE SMITH.—Supposing you call at New Zealand how long do you calculate it will take you to deliver the mails from England to Sydney? What is the present time from Sydney to London by the P. and O.

Hon. Mr. SUTTOR.—Thirty-three and three-quarter days, or say 34 days.

Mr. LEE SMITH.—Can you take New Zealand in and do it in 34 days?

Mr. HUDDART.—Yes, if we get paid for it.

Mr. LEE SMITH.—I was asking Mr. Huddart what time he would occupy from London to Sydney?

Mr. HUDDART.—In answer to that question, we are prepared if New Zealand gives us a sufficient subsidy for three steamships, to do it in the time it is now being done by the Suez route.

Hon. Mr. FOSTER.—In as quick time as is now being done by the Suez route?

Mr. HUDDART.—Yes, we would gain on that, if we got our swift Atlantic service in addition.

Mr. LEE SMITH.—I am asking, supposing the Atlantic service were in operation?

Hon. Mr. FOSTER.—The answer would be that it could be done in less time than the Suez route.

Mr. HUDDART.—What we say here is this:

Thus there is every probability of having on the Pacific within a reasonable time a fleet of large Royal Mail steamships which shall convey the mails to and from Vancouver and Australia as swiftly as is likely to be done for many years to come via the Suez route, in addition to placing armed cruisers at the command of the Admiralty in time of war. With such a service working in conjunction with the proposed steamship service between England and Canada, it is certain that within a limited period British mails shall be delivered in Australia within 28 days, or if the New Zealand route be adopted within 26 days to New Zealand.

Mr. LEE SMITH.—That is what I wanted to bring out. If all the Australian Colonies give subsidies we will establish first class steamers with the Fast Atlantic Service. We can get a shorter time service than we have now, but it is not obtainable without universal action on the part of all the Australian Colonies which must join in it.

Lord JERSEY.—You take five days from Great Britain to Canada?

Mr. HUDDART.—Yes, my lord, five days.

Lord JERSEY.—Does that mean to take the more northerly route than the New York steamers take now during the winter and early spring?

Mr. HUDDART.—That is the ordinary Halifax route taken by the present steamships.

Lord JERSEY.—What is this mileage?

Mr. HUDDART.—It is about 2,400 miles.

Hon. Mr. FITZGERALD.—What is the port for landing the mail?

Mr. HUDDART.—The port to my mind is Halifax.

Hon. Mr. FITZGERALD.—The one in Great Britain?

Colonial Conference.

Mr. HUDDART.—That is not fixed.

Hon. Mr. FOSTER.—You can take a south of England port which has a good many advantages and with 20-knot vessels you can make Halifax within five days.

Lord JERSEY.—Is there any attention of these steamers calling at a French port?

Hon. Mr. FOSTER.—No, there is to be a cross service.

Hon. Mr. FORREST.—Can you do that all the year round?

Hon. Mr. FOSTER.—Yes.

Hon. Mr. SUTTOR.—The record of the P. and O. steamers between London and Sydney are, the lowest 31 days and the highest 36 days.

Sir HENRY WRIXON.—Is it contemplated to have these vessels call at Melbourne at all?

Mr. HUDDART.—That is a question I can hardly answer. I must honestly say that the position I took in Melbourne eighteen months ago stands good to-day. There is not much good calling at Melbourne, seeing that there is one or two trains a day and steamship connection with Sydney. Any subsidy that the Victorian Government has hinted at would not pay for the coals you use taking a ship there and back.

Hon. Mr. SUTTOR.—In the event of this larger scheme of yours failing what do you propose to do?

Mr. HUDDART.—We intend to follow our present contract to the letter. Anything we are discussing now is entirely with the consent to be obtained from the Canadian and New South Wales Governments.

Hon. Mr. SUTTOR.—In the event of your receiving £10,000 subsidy from New Zealand and Queensland, these two colonies agreeing, do you feel you have the right to take the whole of these subsidies? Do you not think the whole system of subsidies should be recast?

Mr. HUDDART.—The answer to that is, we cannot contemplate at present for a minute going to New Zealand for any such subsidy as £10,000 particularly.

Hon. Mr. SUTTOR.—Do you mean to say it would not pay you if you have to go round for that?

Mr. HUDDART.—No, there is no possibility.

Lord JERSEY.—Do you find the trade increasing every three months?

Mr. HUDDART.—Yes, it is steadily increasing.

Hon. Mr. FORREST.—Then assuming that Queensland subsidized you, of course you would not get any subsidy unless you enter into a contract to deliver mails in a certain time.

Mr. HUDDART.—We cannot alter the present mail contract.

Hon. Mr. FORREST.—I did not finish my question. Speaking about subsidies You have already got one from New South Wales. If you get one from Queensland can you give these two colonies a guarantee that you will deliver the mails as quickly as they are done at the present time by the Suez route?

Mr. HUDDART.—That is provided for at the present time in our contract with New South Wales and Canada. I cannot depart from the terms with Canada and New South Wales at present. There is in addition as time allowance for calling at Moreton Bay. That would have to be with the consent of both sides.

Hon. Mr. FORREST.—Would that increase the time over the Suez route?

Mr. HUDDART.—There is 36 hours allowed for calling at Moreton Bay.

Hon. Mr. FORREST.—Is that 36 hours in addition to the Suez time?

Mr. HUDDART.—I do not know how it comes out with the Suez time at present. If Brisbane put her mails on board promptly it would certainly be the quickest route at present.

Hon. Mr. FORREST.—I would not insist so much on the question of time, but I think that this matter will be dealt with as a mail route.

Mr. HUDDART.—I want the delegates to understand that at present we are not masters of the position. We have just lost three days at New York with our mails. Col. White has informed me that they were not sent away by the boat they expected and until Canada gets the direct service, we cannot say exactly when they may leave an American port for England.

Hon. Mr. FOSTER.—If we had the Canadian route, the same train on which they put the mails at Vancouver would take the mails to the ship's side either at Quebec or Halifax.

Mr. HUDDART.—That is the programme.

Hon. Mr. SUTTOR.—I want to ask Mr. Huddart one or two important questions. You say it would not pay you even for the New Zealand subsidy to divert your route for £10,000?

Mr. HUDDART.—No, not for that subsidy.

Hon. Mr. SUTTOR.—In view of encouraging New Zealand to do something, what extra amount would you require to alternate with the existing 'Frisco service? Could you fall into some arrangement by which you could alternate your service with the 'Frisco service?

Mr. HUDDART.—It is very desirable but it involves another ship.

Hon. F. B. SUTTOR.—You decline to go to New Zealand direct, but suppose you alternate with the 'Frisco service, do you think a branch system between New Zealand and Fiji would be established by the former colony?

Mr. HUDDART.—It is just impossible to do it with two ships—the ships we have now. We have spent £20,000 on alterations recently, by increasing the accommodation and boiler power. And the ships will have sufficient to do the work in a month. We are just able to do that four-weekly route with two ships.

The conference adjourned.

Colonial Conference.

OFFICE OF THE MINISTER OF TRADE AND COMMERCE,

OTTAWA, 9th July, 1894.

The Conference resumed at 10 a.m.

DELEGATES PRESENT :

The Imperial Government—{ THE RIGHT HON. THE EARL OF JERSEY, P.C.,
G.C.M.G.

Canada—HON. MACKENZIE BOWELL, P.C.

HON. SIR ADOLPHE CARON, P.C., K.C.M.G.

SANDFORD FLEMING, Esq., C.M.G.

Tasmania—HON. NICHOLAS FITZGERALD.

New South Wales—HON. F. B. SUTTOR, M.L.A.

Cape Colony—SIR HENRY DEVILLIERS, K.C.M.G.

SIR CHARLES MILLS, K.C.M.G., C.B.

South Australia—HON. THOMAS PLAYFORD.

New Zealand—LEE SMITH, Esq.

Victoria—SIR HENRY WRIXON, K.C.M.G., Q.C.

HON. NICHOLAS FITZGERALD, M.L.C.

HON. SIMON FRASER, M.L.C.

Queensland—HON. A. J. THYNNE, M.L.C.

HON. WILLIAM FORREST, M.L.C.

THE PACIFIC CABLE.

Hon. Mr. FOSTER.—Has there been any notice of motion for laying down the route of the proposed survey, in answer to the suggestion of Lord Jersey in the matter?

The PRESIDENT.—No, there has been no resolution.

Mr. SANDFORD FLEMING.—I was going to ask permission to say a few words on that point when the proper time came.

The PRESIDENT.—We will take it up after we have disposed of the question of the mail service.

IMPROVED MAIL SERVICE.—(Resumed)

Sir ADOLPHE CARON.—On Saturday, when the question of the Atlantic fast line and the mail service on the Pacific came up, I think we had a discussion in which more than ordinary interest was taken. Speaking for myself—and I think the same opinion was expressed by other members of the conference—I consider that it was one of the most important subjects that could be brought under the consideration of the present conference; and before the conference was over, intimated that I would be ready on Monday morning to move a resolution, which I showed to some of the members of the conference. I am now prepared to do so. The resolution which I beg to move reads as follows :—

Resolved that this conference expresses its cordial approval of the successful efforts put forth by Canada and New South Wales for the establishment of a regular monthly steamship service between Vancouver and Sydney, and affirms the advisability of a reasonable co-operation of all the colonies interested in securing the improvement and permanency of the same.

I think that no member of the conference could object to what we affirm in that first resolution, approving of what has already been done in so far as the regular monthly steamship service between Vancouver and Sydney is concerned, and recommending the advisability of reasonable co-operation of all the colonies interested in securing the improvement and permanence of the same.

2nd. That the conference learns with interest of the steps now being taken by Canada to secure a first-class fast mail and passenger service with all the modern appliances for the storage and carrying of perishable goods across the Atlantic to Great Britain and the large subsidy which she has offered to procure its establishment.

3rd. That it regards such an uninterrupted through line of swift and superior communication between Australasia and Great Britain, as is above contemplated, as of paramount importance to the development of intercolonial trade and communication, and to the unity and stability of the Empire as a whole.

4th. That, as the Imperial Post Office contributes towards the cost of the mail service between England and Australia via Brindisi or Naples, the sum of £95,000 per annum, while the sea postage amounts only to £3,000, and the mail service between Vancouver and Japan and China, £45,000, less £7,300 charged against the Admiralty, this conference deems it but reasonable to respectfully ask that assistance be given by the Imperial Government to the fast Atlantic service, more particularly as the British Post Office, while paying the large subsidy of £103,231 a year to the line from Liverpool to New York, has, so far, rendered no assistance in the maintenance of the postal line between Great Britain and Canada.

Now, Mr. President, from the standpoint from which I view this question, I think the Atlantic and Pacific service are intimately connected and I venture to express the opinion that the Pacific service requires strengthening; it is so far doing as well as could be expected, but it is quite apparent that it is being carried on at a loss and therefore requires strengthening. I consider that the only way in which that service can be strengthened is by attaching to it a fast service crossing the Atlantic Ocean, and upon that point I should like to read some letters which are absolutely pertinent to the question, and which carry out strongly, as I view it, the views which I have expressed to the conference. Here is a letter addressed to Mr. Huddart by a Mr. Lynn, who writes as follows:—

“22 BILLITER STREET,
“LONDON, E.C., 30th June, 1894.

JAMES HUDDART, Esq., Russell House, Ottawa, Canada.

DEAR SIR,—A friend of Mrs. Huddart's, namely, Mrs. Thompson, of Caulfield, with her maid and a friend, called to see us a day or two ago. She has just come via Vancouver in the “Warrimoo,” and gives us a really splendid account of this vessel, saying that she has never been made so comfortable in her life, and that her officers are the best of fellows, and do all they can to make a trip enjoyable.

She booked on a round-the-world ticket, and if she cannot arrange to go in the “Miowera,” she will have to travel in a P. and O. boat, although she says she would very much prefer the “Miowera.”

“She crossed the Atlantic in the “Labrador” with her friend and maid, and she was not satisfied with the accommodation she got in the ship. We mention this, because from a conversation we had with her we gathered that the arrangements of her Atlantic passage might have been more satisfactory.

She would have liked, on her arrival at Vancouver, to have known what connection across the Atlantic she could make, and it appears that this information could not be given to her. Round-the-world passengers, we think you will agree with us, should have really first-class accommodation on the best liners across from New York, and we think Mrs. Thompson and her maid should also have had this. Have the Canadian Pacific Railway no system of arranging berths for Australian passengers on the Atlantic while their passengers are crossing Canada?

We just mention this because you are on the spot, and you may take the opportunity of having a talk with Mr. McNicol, and because, also, it is of the highest importance that our through passengers should get the best accommodation crossing the Atlantic.

Mrs. Thompson adds that the Canadian Pacific Railway officials are, in her estimation, most kind, courteous and attentive.

We are, dear sir, yours obediently,

LYNN.

This evidently indicates, if it indicates anything, that the Round-The-World Trip can only be carried out, in so far as the present system is concerned, if we have a first-class fast line on the Atlantic Ocean, and from the expressions of opinion which I have heard on more than one occasion from gentlemen who have travelled since the establishment of the Huddart line, I think that they all agree upon this one point, that it will not be a success, and we cannot hope to make of it a success, unless it is supplemented by a fast line on the Atlantic Ocean. Here is another letter which has been addressed to Lieutenant-Colonel White by Mr. Huddart, in reference to a mail, showing at what disadvantage we are placed in not having under our absolute control a fast line of steamers on the Atlantic Ocean as well as on the Pacific. It is addressed by Mr. James Huddart to Lieut.-Col. White, Deputy Postmaster General, Ottawa :—

We have to acknowledge receipt of your valued communication, dated June 18th, with reference to the delay in receipt of London mails, via Vancouver, Montreal and New York.

It is apparent to us that the delay which has arisen in this connection has been caused by our mails not having been sent forward in the "Campania."

We apprehend that the fault would lie at the door of the New York authorities, and it does seem a pity that as the mails were sent forward by your officers in ample time to catch this steamship sailing on the 19th, they should not have reached us in London till the 28th inst.

Our senior is at present in your city, and we have sent forward papers to him in connection with this question, and no doubt he will take an early opportunity of discussing with your good self this question, with a view to ascertaining if any improvement can be made in connection with the New York authorities.

I have the honour to be, sir,

FOR JAMES HUDDART,
R. GRAYSON.

Then this reply was given by Mr. White with reference to why the mails were delayed :—

OTTAWA, June 18th, 1894.

MY DEAR MR. HUDDART,—With reference to your letter of the 30th of May, respecting the delay in the receipt in London of the mails which arrived from Australia and Victoria on the 10th instant, I beg to say that I find those mails arrived at Montreal at 9 a.m., on Thursday, the 17th of May, they were forwarded the same day to New York at 7.20 p.m., and should have gone forward from New York on Saturday, the 19th, by the "Campania." It is not possible for us now to ascertain on this side whether they did go by that vessel or not, as the New York office would not be able to tell us, the Canadian mails all going over together; but if that be the case there is not margin for improvement, because, if these mails were at Victoria on the 10th, they could hardly have been in Vancouver in time for the mail of that day, they would therefore not have left Vancouver until the 11th; they were in Montreal on the 17th, six days, they were forwarded that very day to New York, and therefore any delay must have been due to the sea voyage from New York. If there is any further information I can give you I shall be only too glad to do so, because, as you know very well, there are not many things in the department than which I take more interest in than in the Australian mails.

Yours faithfully,

WM. WHITE.

The mails were sent in ample time to reach the "Campania"; the New York Post Office authorities, for a reason known to themselves, not calculated to expedite the mails, instead of sending that mail by the "Campania" sent it by a slow steamer, and we lost a day or two days in it reaching the London post office, and it is quite apparent that unless we have this new fast line on the Atlantic, we have no control beyond the Pacific Railway on this transmission of Australian mails to England. We are sending the mails to New York, as we did in this very instance, expecting them to be carried by the fastest steamer going out, instead of which they are very often delayed or put on board a slower steamer, and the fast time which we make on the Pacific, and the fast time which we make crossing the Continent by the C.P.R. is completely lost for all practical purposes on account of the slow service on the Atlantic Ocean. Therefore I think that there can be hardly two opinions upon the point that without the fast line on the Atlantic Ocean, the fast line on the Pacific cannot expect to made a great success; and if it is not a success, I think it is just possible—although I

venture to express the opinion that it will not be—that we might lose that service completely, because Mr. Huddart, or any other company, view it from a commercial standpoint, and not from a patriotic standpoint, or the standpoint of trying to help the work that we are all engaged upon to improve the commercial relations between the several colonies and Canada and the mother country. I hope that the resolution I have moved is one which will meet with the support of the whole conference. I do not think I am exaggerating when I say that I think it is one of the most important questions that we can possibly discuss, and, from the position which I occupy in the Government, presiding over the Department over which I do preside, I say that without that fast line on the Atlantic—and that view is shared in by all the officials of my Department, the permanent heads, who are in a position to appreciate the great danger we run—there is a risk of losing the service on the Pacific. Under these circumstances I beg to move the resolution which I have read, and I hope it will meet with the approval and concurrence of the conference.

Hon. Mr. SUTTON seconded the resolution.

Lord JERSEY.—Does not the General Post Office send letters by the Allan line?

Sir ADOLPHE CARON.—No; in fact we do not count what goes over the Canadian line; it is too slow.

Lord JERSEY.—With reference to the words, “has not so far rendered assistance in the maintenance of the postal line between Great Britain and Canada,” is that not because the Canadian line is useless?

Sir ADOLPHE CARON.—Yes, that is so.

Lord JERSEY.—It is not because they are favouring the New York lines.

Sir ADOLPHE CARON.—No, it is not through any ill-feeling against us; it is because the line we have could not do the work.

Lord JERSEY.—Sir Adolphe Caron's explanation is quite sufficient.

Sir ADOLPHE CARON.—We can hardly ask them to give us a subsidy for the present line, because it is quite inadequate for the work expected of it. That is why Canada would give a large subsidy to establish a fast line, feeling that the present line is quite insufficient.

The PRESIDENT.—I might state that thirty years ago the Canadian line was equal to the New York lines; and about forty years ago Canada paid a subsidy of £100,000 Halifax currency yearly—equal to \$400,000—for the establishment of the Allan line. Passengers came from New York and crossed on these lines because they considered them as comfortable as the Cunarders. We pay \$125,000 annually now to the Allan line.

Hon. Mr. THYNNE.—I think there will be no difficulty in the conference adopting the resolution moved by Sir Adolphe Caron; I think we all feel the importance of the service proposed, and would all like to see it successfully carried out. Our colony will be very glad to give some assistance towards the working of this line; we will give substantial assistance; in fact our Government offered a subsidy of £5,000 a year on the condition that the steamers, on their way to and from Sydney and Vancouver, called at two ports in Queensland. The New South Wales Government were willing to arrange with Mr. Huddart that they should call at one port. The Government of Queensland found themselves unable, for reasons I need not enter into, to accede to that proposal.

The PRESIDENT.—Do you mean the Government of Queensland or New South Wales? You proposed to do a certain thing and New South Wales objected.

Hon. Mr. THYNNE.—New South Wales refused to consent to that provision. I hope, sir, we will be able to arrange some way by which our colony may be called at. My reason for saying so is that we probably will be able to supply a considerable quantity of suitable produce for Canada, which will undoubtedly be a very great help in substantially establishing the mail service; and also that we shall be able to take from Canada considerable quantity of goods, which will also be of assistance to the service as a mail service. No doubt it was very difficult at the time the line began to work with only two steamers to make the calls at the two ports in Queensland, but it is scarcely reasonable to expect that a service of that character can be carried out, with anything like success, with only two steamers. For running between Sydney and Vancouver at last three steamers will be necessary. They have found by experience that three steamers are necessary running from San Francisco and Sydney, and it is a shorter route, and they have had three steamers at work on that route for a number of years. The same thing will be found with this Pacific line. If we had three steamers running then it seems to me not at all unreasonable to suppose that the service could be extended either in the Queensland direction or in the Victoria direction. But there is this fact to be pointed out in connection with the colony of Queensland, that it will involve practically no loss of time in mail communication between Sydney and Vancouver. These are matters in which this conference can scarcely go into with great detail. These are matters which will be merely matters of arrangements between the governments interested and the companies concerned, and perhaps it would be better for me to leave further discussion upon that point until it is dealt with in that way. It will not be out of place to give the conference some information with regard to what Queensland has done in connection with the establishment of the British-India mail service. That service has been running since 1882. There were strong reasons why it was very essential to the prosperity of Queensland that we should have an independent line of steamers between Queensland and the old country.

Hon. Mr. SUTTOR.—Would this proposed line be in competition with your existing line?

Hon. Mr. THYNNE.—It would scarcely compete with the line proposed in these resolutions as the mail service. I think the information that I will give may prove to be somewhat useful in guiding us as to what we may expect in the future. In 1882, a monthly 10-knot service was established between Great Britain, making it forty-four days from Brisbane to London by the Torres Straits, Suez, Aden and Singapore.

Hon. Mr. FOSTER.—You do not touch any point on the continent of India?

Hon. Mr. THYNNE.—Yes, at Colombo.

Hon. Mr. FOSTER.—That is an island, but you do not touch the mainland?

Hon. Mr. THYNNE.—No. Our subsidy for the monthly service was £55,000 a year and at that time Queensland consisted of something like 300,000 people. In 1882, Queensland had to pay for the conveyance of her ocean mails over £60,000. That amount kept on increasing up to 1887, when the amount paid was within a few hundred pounds of £80,000 for her ocean mail service. In 1888 it was over £76,000, and in 1889 £74,000, and then it comes down to the point to which I shall now call attention. The Government of Queensland gave notice to the British India Company to terminate the contract.

They called for tenders for a similar service with this result: That they got an offer from the same company for a fortnightly service, calling at seven or eight ports in Queensland for cargoes, passengers, mails, &c., for a subsidy of £32,000. In 1889 the British India Company offered to supply a mail service, running fortnightly for £33,500 instead of the subsidies which had been paid before for a monthly service of £55,000.

Hon. Mr. FOSTER.—At what speed?

Hon. Mr. THYNNE.—The same speed and the same conditions continued all through. They tendered at the same time to do a monthly service for a subsidy of £19,800. That was after the development of trade through the establishment of a line of steamers, and at the present moment we are running a monthly service for a subsidy of only £19,800. An ounce of practice is worth a pound of theory. We went into a very heavy subsidy, and an onerous burden considering the population we had at that time, but Queensland has been fully repaid for what she has done. Now she has got a service well established, and well carried on, and for a small sum of money, and that service, probably in the course of a few years will be carried on without any subsidy at all.

Mr. LEE SMITH.—What is your present subsidy?

Hon. Mr. THYNNE.—At the present moment we are running a mail service every four weeks and pay a subsidy of £19,800 per annum.

Mr. LEE SMITH.—What is your net loss on your postage?

Hon. Mr. THYNNE.—I have not taken that into the calculation. In Queensland we have a considerable loss on our postage. We pay something like £50,000 a year in subsidies for land carriage alone. Now, our expenses on ocean mail carriage fell in 1890 from £74,000 to £46,000 and in 1891 to £40,000, and in 1892 it was estimated at £36,000, so, the result of the very heavy undertaking we went into, at first, we now get it gradually down on a sliding scale, to the expenses I have mentioned for ocean mail carriage. I trust that the experience of Queensland will be the experience of Canada in connection with her courageous efforts to establish a satisfactory mail service.

Lord JERSEY.—My few remarks will be in the same line that I spoke on on Saturday. This question must be considered as a whole, and the question in my mind is what part the Australasian colonies wish to take in regard to the subsidies which are now paid to the P. & O. Company and the Orient Company. As has been stated before I think there are £170,000 paid annually to these two companies for the conveyance of mails.

Hon. Mr. FOSTER.—By Australasia.

Lord JERSEY.—Great Britain pays £95,000, and Australia pays the remaining £75,000. It would be impossible for the Imperial postal authorities to consider this question by itself. It seems to me that they must take into consideration the whole question of the mail service to Australasia. Now I should like to hear, as I stated on Saturday, what part the Australasian colonies propose to take with regard to this new route. On Saturday last Mr. Huddart told us that he required a subsidy of not less than £300,000 per annum upon an estimated capital of £3,000,000. Towards that subsidy he expects the Imperial Government to subscribe £75,000 and Australasia £50,000. Now, I think it is obvious as this is put forward as a complete mail route from Great Britain to Australia that it is necessary that we should know whether Australia is prepared to take its share of the subsidies. It would be of little use from the broad point of view

to ask Great Britain and Canada to undertake the new line of steamers across the Atlantic unless at the same time Australia were prepared to do her proportion across the Pacific. Upon that point, so far, we have no enlightenment. Therefore, as I stated on Saturday, I hope we shall hear from the representatives of the different colonies interested whether they are prepared to act in the same manner as they are prepared to ask the British Government to do, and as the Canadian Government have in the most dutiful manner expressed its intention to act. We cannot take it merely as an Atlantic service, we must take it as part of the whole of the mail service of the Empire, for the Australasian portion of the Empire and Canada, and part of the usual route from Great Britain across Canada to Australia.

Hon. Mr. PLAYFORD.—I have expressed on a former occasion the views of my colony. Certainly we cannot be expected to help this particular service, as we are exceedingly well served as we are. Western Australia and South Australia are not interested much in this route so far as mails and passengers are concerned. I cannot say anything more and I do not wish to repeat what I said on that occasion. However, I wish to say in reference to the second paragraph of the resolution that I have a criticism to offer which I think will be well taken. It says:

"That the conference learns with interest of the steps now being taken by Canada to secure a first-class fast mail and passenger service with all the modern appliances for the storage and carrying of perishable goods across the Atlantic to Great Britain, etc."

Now, this is all very well so far as Canada is concerned, but it is of no interest whatever to Australia. Australia cannot send across this continent perishable goods from Vancouver to England, as such an undertaking is virtually prohibited, and this is only a matter that is of importance to Canada. It has no connection whatever with Australia.

Sir ADOLPHE CARON.—It does not hurt Australia.

Hon. Mr. PLAYFORD.—It does not hurt Australia at all, but I point out the fact that it is of no special benefit to Australia to learn of these appliances for carrying perishable goods between Canada and Great Britain. I do not see anything specially to object to in this. It will be more for the Imperial postoffice authorities to say what they will do. It does appear to me if they are prepared to subsidize liberally a mail service between England and New York, I think they should subsidize a service to Canada before the United States and certainly give a subsidy to the British possession of Canada in preference to giving a subsidy by way of New York.

Hon. Mr. SUTTOR.—Mr. President, I think if we are going to establish this line we should not be asking even South Australia too much that she should contribute in some way to a line of this national character. Mr. Playford has stated that his colony is pretty well served and that they get their mails regularly. That applies to all the other colonies as well as to South Australia. They certainly have got their mails in a little shorter time than we have, but we in New South Wales receive our mails once a week. Now, this service will be of material assistance to all the Australian colonies in providing more rapid communication with Canada and the United States of America. I conclude that there are a great many people living in those colonies who have correspondents over the whole continent of America, and it must be desirable for Australian correspondents to be placed in more direct communication with correspondents in this great Dominion as well as in the United States; and therefore I think that this proposal should receive favourable consideration from all the Australian colonies. Lord

Jersey has asked to what extent the Australian colonies propose to subsidize this line, and whether while subsidizing it they will continue to subsidize the lines now in existence between England and the colonies by way of Brindisi and Naples. I can only speak for my own colony, and we are very anxious to assist this line. In fact we have already materially assisted it to the extent of £10,000 a year. At the same time we pay the largest subsidy of all the Australian colonies in assisting the Orient Company, and the Peninsula and Oriental service; so that we are quite content. We have taken up this position with a view of keeping up the communication we have had with Europe. We contribute a larger amount than the other colonies for the line to Brindisi and Naples, namely, £26,759 per annum, and we are paying the largest sum of any of the Australian colonies in the form of mail subsidies. We rapidly fell in with the views of Canada when she asked us to assist in the establishment of this line between Sydney and Vancouver, and if this line is worthy of the assistance of Canada and New South Wales, it is equally worthy of consideration on the part of the other Australian Colonies. I particularly allude to the colonies which are not so favourably situated as others and which are not now in direct communication. I would like to specially mention Fiji and New Zealand, and if this line is to be considered at all, it certainly demands assistance from both Fiji and New Zealand. If we are going to view it as a rapid mail service it ought to go by the most direct mail route possible, and to do that perhaps it may not be found expedient to call at New Zealand. But I think the fact that it will bring New Zealand into direct communication with Canada and England makes it desirable that New Zealand should consider whether it is not advisable to adopt a branch line of steamers between New Zealand and Fiji, to intercept the mails on their way down to Australia. I think as we are asked here to discuss the advisability of securing an improvement and the permanency of this line we should consider in this connection whether it is not desirable to make it a four-weekly service instead of a monthly service. One objection to the present line is that instead of running alternately with the San Francisco service, the mails occasionally clash in such a way that they leave either America or Sydney in the same week instead of alternating every fortnight. This is a matter we should consider in connection with the improvement of the service now under consideration. I am glad indeed to find that the gentlemen representing Queensland have expressed their wish as far as they can to assist in the maintenance and improvement of this service. I think when the proposal was made to them originally, they were asking a great concession suggesting that the steamers should call at two ports. My government have always expressed the desire to meet as far as they could the views of Queensland in regard to that matter, and were quite agreeable that the steamers should call at one or other of the two ports mentioned, but we think it would cause too great delay to call at two ports. Now, mention has been made of the large amount of subsidy that Mr. Huddart requires to carry out this service on the gigantic lines he has laid down, with regard to the large steamers across the Atlantic and also for the improved service across the Pacific. Certainly the figures seem to me to be very large, but if one colony in Australia can contribute £10,000 there ought not to be any great difficulty in finding something like the amount he requires to carry on this important service, providing satisfactory arrangements can be concluded. But after the statement from Mr. Huddart made before us here the other day we shall require this very large amount of money, if he is to give us what he terms a very good and fast service, and he said that even if New Zealand agreed to give a subsidy of £10,000 a year, he could not see

his way clear to call there. I think perhaps that the colony of New Zealand will not be inclined to give a larger subsidy than they have offered to give, namely, £10,000. But even if they did that, I think it will be found that the detour in going by way of New Zealand from Fiji would destroy the service as a rapid mail service. There is a great desire on the part of Canada, as well as of Mr. Huddart himself, that they should make this line as quick a service as possible, and prove to the Australian people that they can get communication more promptly and rapidly by the Canadian route than by any other. To do that they will have to go by the straightest possible route. One of the proposals made by Sir Adolphe Caron in the resolutions which we are now considering is that England should be asked to subsidize the proposed fast Atlantic line between England and Canada, but we do not in the resolutions invite or ask England in any way to assist in the line between Vancouver and Australasia. I do not know whether that is the intention of the mover of the resolutions, or whether, but should we not go a little further and ask England to assist the line generally, not only subsidizing the line between England and Canada, but also subsidizing the line between Vancouver and Australia.

Sir ADOLPHE CARON.—That is my intention.

Hon. Mr. SUTTON.—I should like if Sir Adolphe will allow me to insert the words "and Pacific," and the resolution will read :

"This conference deems it but reasonable to respectfully ask that assistance be given by the Imperial Government to the Fast Atlantic and Pacific service."

Sir ADOLPHE CARON.—It was in the original resolution which I prepared, and it has evidently been left out ; how, I know not.

Hon. Mr. SUTTON.—I move the insertion of the words "and Pacific" after the word "Atlantic." Mr. Huddart said he required the large sum of £300,000 to carry on the service, but explained that he could not very well divide the subsidy as between one point and the other. I think therefore it would be well to ask the Imperial Government for assistance on the whole line. In conclusion I can only say that when the Government of New South Wales were asked to assist Canada in the establishment of this service we thought it desirable that we should bring ourselves into closer communication with our fellow subjects in Canada. They belong to the same Empire as ourselves, and I am glad to find that when the proposal was made to the Parliament of New South Wales it was equally as desirous as the government that we should enter into this bond of union between New South Wales and Canada by contributing £10,000 to this line and readily voted the money required. It may be as well to mention that we have not given this subsidy for any length of time. We thought that if we gave the subsidy for three years the period of the existing contract, that during that time it would be proved whether the service was likely to be permanent or not, and I hope that the other Australian colonies will see their way during this period to assist the line which I believe will be of permanent benefit to the Australian Colonies and Canada.

Sir HENRY WRIXON.—Our position as delegates from Victoria is, that we are not now able to state the exact amount that our government would give to subsidize this line. We are favourable to the line being continued and would be sorry to see the line across the Pacific discontinued, and I have not the slightest doubt that our government would, to prevent such a catastrophe, propose some assistance, but as to the particular amount, we are placed now in a little difficulty, partly by the answer which Mr. Huddart gave

us on Saturday, namely, that in no case did he contemplate the steamers calling at Melbourne. Well, that of course prevents our regarding this line in the light of a mercantile line or for carrying produce. We are, therefore, thrown back upon its merits as a mail line. Those merits are not so great for Victoria as for New South Wales because Sydney, of course, would get letters across the Pacific some twenty hours sooner than we would, and our position relative to the Suez route makes it hard to say how, from the mail point of view, we would gain much. If we could see our way to get a mercantile advantage for carrying produce then our government would be prepared to subsidize this line in a substantial amount, but I am not in a position to say the exact amount now, Mr. Huddart having stated on Saturday he did not intend to call at Melbourne. That puts us in the position of not being able to say anything definite in regard to the particular sum which we will subscribe. At the same time we would regard it as a misfortune to Australia, if the line across the Pacific were discontinued, and I hope that before the three years, which Mr. Suttor has alluded to, has expired, that arrangements will be made to secure the permanency of this line. Probably at the time that the other mail contracts expire, which will be in some two or three years, I think there will be then a general readjustment made and our government then will, I am sure, be in a position to give reasonable assistance to the Pacific line, but we feel it a little premature to fix any amount particularly in view of the answer of Mr. Huddart on Saturday. I would only add one remark as to England assisting on the Pacific. I have no doubt England would be willing to assist reasonably. Of course, if this mail service should be established, and would be the one used by Australasia, it would be more used by the business men of England, than by the business men of the other colonies of Australasia and Canada. We are talking of this line to Australia as though it concerned Australasia alone. That is a mistake. I have been informed by eminent postal authorities that where you establish mail communication from the centre of the Empire, towards the external portions, more matter goes from the centre to the extremities than comes back, and, therefore, the business men of England, if there is a satisfactory service across the Pacific, will use it more than the business men of Canada and Australasia will use it, and it is not unreasonable to ask the Imperial Government for their contribution. The position of Victoria is, that we are decidedly sympathetic, and we would regard it as a misfortune, to see this important service fail, but we are not in a position to say the exact amount we can contribute and we will be in a better position to say that when the other mail contracts terminate, and there is a general readjustment of them. Then we have no doubt that our government will act liberally.

MR. LEE SMITH.—I am glad Sir Adolphe Caron has put these resolutions before the meeting, because it brings the discussion upon a practical basis, just what is required to enable us to arrive at a conclusion on this important subject. I may also say that I am very glad to hear what Lord Jersey has said with regard to this question. He has very properly put before us the necessity of the Australasian colonies generally giving him some definite and practical conclusions as to how far they are prepared to advocate and substantially support the through line to Great Britain. Now, sir, that being so, and Lord Jersey having put that before us in that light, it behooves all the Australian colonies to take into consideration at once the question, how far they can meet these views. It must be clear to all of us if we allow Lord Jersey to go home without being able to represent to the British Government some definite plan, or to say that there has been some definite arrangement arrived at by the Australian colonies, the British

Government can say: "These people are more interested than we are, but they do not appear to have made up their minds as to what the value of this service is to them." Then the British Government will do exactly what they did seven years ago with regard to the cable. They referred the matter back to us, and said: "Put something definite before us and we will give our answer." Therefore, I am pleased to find that the discussion is now taking a proper course. Mr. Suttor has referred to the question of routes, and he has told you that it behooves New Zealand to consider whether it should not make arrangements with Mr. Huddart for a branch service with Fiji. Let me tell you at once, sir, that my colony in such a case would step down from the large subsidies which we are prepared to give, from a mail and trade service point of view, if we did not have a direct connection with Canada. Supposing New Zealand gave £10,000, and all the colonies contributed £1,500 each, which would be some earnest of the real feeling in the federal aspect, I will show you how I think a service could be carried out. At the present time Canada gives £25,000, New South Wales gives £10,000 and under the conditions which I have put before the conference, making New Zealand a port of call, my colony would give £10,000. That is £45,000. Fiji is going to give £1,500. That makes £46,500, and then from the imperial point of view, all the colonies coming together might give, say £6,000, making £52,500 a year. Adding that £52,500 a year to the £150,000 that is already given by the Canadian Government, that makes £202,500. Then add to that what we are asking from the Imperial Government, which I think we can fairly claim, and which I think the Imperial Government would respond to favourably, this would give a total subsidy of £277,500 a year. Now, I say, if Mr. Huddart cannot for this amount carry out his mail service upon the lines which he has previously indicated, a first-class through service, putting England in connection with New Zealand within twenty-seven days, we must abandon the whole thing. Mr. Huddart asks £300,000 a year. If he gets £277,500 a year, he ought to be able to carry out his scheme. It is absolutely essential that we should here decide at once what we will agree to give, and I am prepared to give £10,000, and recommend another £1,500 a year if the other colonies will combine together and do the same thing. We can go to a central point in Australia, and I ask you to take the federal view of it, taking that central point at Sydney. Sydney will be the most central and valuable port for communication with Canada, and then for that amount, £1,500 a year, the colonies can send their passengers and mails over a first-class service. The train service between Sydney and Melbourne is only 16 hours, and Brisbane is the same distance. This is only asking £1,500 a year from each colony outside of New South Wales and New Zealand.

HON. MR. FITZGERALD.—What would £1,500 a year amount to if contributed by five colonies?

MR. LEE SMITH.—It enables me to say that New Zealand will give £10,000 and this extra £7,500 will help the scheme. If you get to London a day or two later it does not matter if, as you say, you do not regard it as a mail service.

HON. MR. SUTTOR.—Will you really contribute anything if you find that the mail service cannot call at New Zealand port?

MR. LEE SMITH.—I will say this: If you cannot see your way clear to make New Zealand a port of call and if it be found inconsistent with the whole of the colonies combined, that New Zealand cannot be made the last port of call, I will recommend my government to take the position that I now ask you to take and give these people

£1,500 a year. I am not authorized to do it, but I am sure my government will agree to it at once. Geographically New Zealand is the last port of call, and when I say we should make large shipments to Canada and take a great many Canadian products, I think it will be worth our while to give a trade and mail subsidy of £10,000, and beyond that, what I may term a sentimental subsidy of say £1,500 or £2,000 whether we are the last port of call or not.

LORD JERSEY.—The £10,000 would be dependent upon the ships calling at a New Zealand port?

MR. LEE SMITH.—Yes, always understanding that we have mail communication right through on this side. We can get mails and passengers through in a short time by the other route to San Francisco. It is not much to ask of you. Surely you can recommend £1,500 to your governments. I hope the members of the conference have followed my figures. I have shown that we can raise within £25,000 of the amount of the subsidies asked.

HON. MR. FORREST.—I have been astonished by the magnitude of the figures quoted with respect to the initial cost and the cost of maintaining the proposed service. It is useless overlooking this because it strikes at the root of the whole matter. The Australian finances are not in a flourishing condition, though I am glad to say they are improving, and I feel certain, if the Australian Colonies have to contribute to the extent indicated, that this mail service is in the very distant future. They could not find the necessary money.

MR. LEE SMITH.—£1,500?

HON. MR. FITZGERALD.—That would not pay for the grease for the wheels.

HON. MR. FORREST.—I think, however, we are discussing this question from a wrong point of view, viz: that of a quick and general mail service. I do not think anybody can show that it would at once be a fast mail service and at the same time serve any considerable portion of Australia and New Zealand. Therefore, why discuss it from only a fast mail service point of view? What is the use of arguing against facts? To my mind, it would be a most advantageous line to establish for the purpose of getting direct communication between the great colonies of Australia, New Zealand and Canada, and because I think it would materially hasten the development of those colonies; as between those colonies it certainly be a more rapid service than by any other route, and if it would as I believe it would lead—to their more rapid development, it would assume benefit Great Britain, and from this point of view the Imperial Government might be fairly asked to contribute. I have not got the figures with me though I did go through them, but the amount of subsidies said to be necessary to establish this line are far in excess of the subsidies paid for greater services.

THE PRESIDENT.—This is entirely a new trade, as far as Australia is concerned.

HON. MR. FORREST.—I admit that it is a new trade, but the subsidies asked for are far in excess of what is and has been paid for other and similar services. I do not want it to go forth to the world that we are prepared to pay any more than necessary, because if we do, those who propose to start the services will not ask less than we suggest. I feel that such large subsidies are unnecessary. I believe if we go about this matter properly we can get the business done for a great deal less money. Whether there shall be a rapid development of the trade between the Australian Colonies, New

Zealand and Canada, in my opinion, depends very much on whether a good direct shipping service is established between them ; and whether such a service shall be quickly and permanently established depends very much on two things. First, the amount of subsidies required, and second, whether the Imperial Government will assist. With respect to the latter, we may rely that it will take a wise, liberal and patriotic view of the position. Whatever tends to assist and develop the British colonies, must help Great Britain. But apart from this, I am one of those who firmly believe that Her Majesty's Government can always be relied on to take the most favourable and the most generous view of anything and everything that is calculated to promote and interest the welfare of her colonial possessions. Those present here who belong to self-governing colonies, must have often seen—and like myself, have often regretted—that when party feeling runs high in the colonies, the work of one government is not infrequently, either actively or passively, destroyed by the next. Now, party feeling runs high at times in England, but nevertheless, it is recognized that certain questions belong alike to every party, and indeed are placed above party politics. Therefore, with respect to many questions, and more particularly with respect to those affecting her colonies, the policy of England is continuous. In this connection, the Imperial Government, in appointing Lord Jersey as its representative to this conference, has given us an excellent object lesson, and an excellent illustration of England's policy—as indicated—for he is not a supporter of the present government ; but I venture to assert if England had been searched from Land's End to John O'Groats, no one better—if so well—qualified, could have been found, nor one whose appointment could have given greater gratification to the conference in general and to the Australian delegates in particular. During the time he was Governor of New South Wales, he earned for himself golden opinions throughout Australia, and I am sure that every member of this conference will admit that such opinions were well earned ; also that his great grasp and widespread knowledge has enabled him to render—and by his wise and judicious counsels that he has rendered—invaluable assistance to our deliberations. The lesson which I would like the colonies to learn from the imperial example is briefly this : select the best men for the discharge of great public duties.

Hon. Mr. FITZGERALD.—Speaking for Tasmania, I feel very much that all we can do is to assent to a sympathetic resolution in regard to this matter. We have every desire to co-operate and when the adjustment of the present subsidies takes place after a year or two, then no doubt the whole matter will come under review, and, if they possibly can, each colony will unite in the accomplishment of this desire. Now, with regard to Mr. Smith's proposal that as an earnest, as it were, of sympathy, we offer £1,500 a year, we cannot entertain it seriously. What would the £1,500 a year for each of the colonies interested amount to ? You practically have only Queensland, Victoria, New South Wales and New Zealand. South Australia cannot be expected to come in. Then between Melbourne and Sydney, Sydney will have the advantage of forty hours by this route. Sydney is twenty hours nearer one way and twenty later by the other way.

Mr. LEE SMITH.—There is the passenger service from South Australia.

Hon. Mr. FITZGERALD.—The passenger service is important, but when we consider the magnitude of this, it looks such an enormous sum that in the present position of colonial finances I do not think that the present opportunity would be a good one to

open this matter. After a year we hope that clouds now disappearing will have disappeared altogether. Then will be a much better time to deal with this subject more liberally than at the present time. I think we cannot go beyond an expression of sympathy with it. I know that the colony of Tasmania cannot go into any money project. At the same time I say, with regard to Mr. Smith's idea, if a small sum of money were required as an earnest imperial feeling none of the governments would object. This offer of £10,000 is made conditional on the steamer touching at New Zealand. We were informed by Mr. Huddart, that he could not consider it for that amount. I think it is within our experience that it is absolutely impossible for the route to go there. It will be much nearer to go to Melbourne than New Zealand, and there will be loss of time by going to New Zealand. On behalf of Tasmania, I desire to say that the government have every sympathy with this movement and when the subject of the subsidy arises, I hope they will be able to give practical effect to that sympathy in uniting with all the other colonies in the attainment of the object we all desire.

Lord JERSEY.—I wish to clear away a misconception in Mr. Playford's mind. The British postoffice has no preference whatever for the New York route. It only uses the New York route because at present the quickest steamers go there, and not because it is the wish to subsidize the mail route to the United States. Sir Adolphe Caron has clearly stated that at the present time Canada could not expect the British postoffice to send their letters by the existing route. But the whole question will be altered the moment a new route is made between Canada and Great Britain. As an individual there are two points to which I would like to refer. It seems to me that we have been a little bit handicapped in our discussion by the figures which Mr. Huddart laid before us on Saturday. To ask for a guarantee of 10 per cent upon the capital of the company is a very strong request. It seems to me that it is hardly likely that without fuller figures any government would go so far as to guarantee 10 per cent upon the outlay. There may be reasons why a certain guarantee should be given. But before the government would accede to such a request they would want to have all these figures fairly before them, and I think in our discussion we have been a little bit hampered on account of Mr. Huddart's figures. The other point is, that in this question of mail route, we have rather left out of it the fact that the Canadian Pacific Railway is an important factor in the matter. We cannot help it, but in any arrangement that may be made, the Canadian Pacific Railway would have to be a party. Otherwise that company would really command the situation. We might make an excellent arrangement on the sea, and the Canadian Pacific Railway might to a certain extent nullify this arrangement by the way in which it carried on its business. I only mention these points as they occurred to me as an individual and not in my official capacity.

Hon. Mr. FOSTER.—These are points which it might be well to think over a little, but I want to make this suggestion, with regard to the whole scheme. This conference is not absolutely considering Mr. Huddart's scheme. This conference is considering a scheme for communication between Australasia and Great Britain via Canada and through the proposed fast Atlantic service. Mr. Huddart is the gentleman who is now carrying on a part of that service on a certain condition as to a monthly service.

Lord JERSEY.—I said we were "a little bit handicapped." I used these words on purpose.

Hon. Mr. FOSTER.—Mr. Huddart is also, under certain arrangements made with the Dominion Government, endeavouring to establish this fast Atlantic portion. In his work of undertaking the whole scheme he is endeavouring to have four steamships on the Atlantic and five on the Pacific which would make a good service if well carried out. For that ideal scheme, the subsidy that he asks is £300,000 per annum or 10 per cent on the capital. It may be necessary to have that amount of money or it may not be necessary to have that amount, and one impression I want to get rid of in the conference here is the inference that the Dominion Government is bound for any length of time to Mr. Huddart's proposal. We are not, and we would not bind ourselves down to any person with whom we made agreements that we should be handicapped from turning it into other hands if that arrangement fails. Our arrangement with Mr. Huddart is simply this: We have made a provisional agreement by which if he does so and so we will grant a certain subsidy. After we have got the consent of Parliament to that \$750,000 proposed as a subsidy, Mr. Huddart has three months to materialize his scheme. If he is not successful in three months, the Dominion Government is at perfect liberty to look elsewhere, or rather to receive other propositions. I may say that other propositions are now before the government, but we are unable to consider them until we have amply carried out the proposal we entered into with Mr. Huddart. It is quite possible a less amount of money may carry the scheme through. So that you must see that we are not handicapped by this proposition. We are simply after all considering the abstract plan as to how to get this service, and we are seeing how far we can assist each other towards the accomplishment of that service. Any line of communication like that must be with the co-operation of the Canadian Pacific Railway, and I may say that Mr. Huddart has the co-operation and sympathy of the Canadian Pacific Railway in his endeavour to arrange his lines, and in the Pacific he has the best and the closest arrangement with the Canadian Pacific Railway which necessarily must be understood in an overland route like that, because in that great continental route alone, a large benefit would accrue to the Canadian Pacific Railway in the way of carrying passengers and freight via this route. I will point out, however, that there are some difficulties in the Canadian Pacific Railway carrying on this Atlantic service or being a party to this Atlantic service, because they have the competition of the Grand Trunk system of railway, which is a mighty system of railways in this country, and that line would have the competition of the Allan line of steamships and the Dominion line of steamships and other heavy lines of steamships of great influence, so that the Canadian Pacific Railway might be very seriously handicapped by having the control of this line between here and Great Britain, if it incurred the competition of this great railway and the other great steamship lines. So that is a factor which enters into the participation that the Canadian Pacific can take in the fast Atlantic line. I know those considerations have great weight.

LORD JERSEY—Does not the Canadian Pacific Railway feed those lines?

Hon. Mr. FOSTER.—It does; but the fast Atlantic service must not only be fed by the Canadian Pacific Railway, but by the other lines as well. It will be to the benefit of the line that the passenger and freight traffic of both the Grand Trunk and Canadian Pacific Railway should be centred on the fast Atlantic steamers. There is a rivalry between the two great lines, the Canadian Pacific Railway and the Grand Trunk, and if it were known or supposed that the Atlantic line was in connection with the Canadian Pacific, the Grand Trunk would say, as far

as our freight and traffic business is concerned, we will throw it into the hands of some other line. The idea is to interest all the great lines of railway in this country, equally, if possible, in the fast Atlantic service. Whilst I acknowledge the practical nature of the offer made by Mr. Lee Smith from New Zealand, and am very glad to hear his views in that respect, I think it is impossible for us to expect at this conference that we should put down in black and white what each colony is prepared to give. Fortunately, the Canadian Government has so acted that its delegates are in a position to say exactly what they will give. New South Wales has been able to do the same. The other colonies are not in that position. For my part, I am thoroughly satisfied with the expression of good-will and sympathy which they have given. I feel that what has transpired here will be followed by every reasonable effort to accomplish the desired end. We must not lose sight of the fact that each one of these governments has its own conditions to deal with, and I do not think we can ask, here at this conference, that they shall put down just exactly what they can do; but I know the suggestion will commend itself to all the Australian colonies. It is a grand scheme. If the cable communication and the steamship communication shall be carried out within the next three or four years, I venture to say that no one single action that has taken place will do more for the British Empire, as regards its unity, and the cohesion of those distant parts, than this very same line of action we have recommended. We cannot hasten too fast. With respect to the cable, so it is with this matter. We must be satisfied to go slowly. I also acknowledge this point, that Great Britain cannot be categorically asked to-day or to-morrow just what she will give. There are other considerations which have been well put by Lord Jersey, and I quite accede to the view that two or three years will be necessary in order to bring this matter to a culmination. When the other subsidies fall in, and these contracts expire, there will be a certain elasticity in regard to the matter that does not at present exist. I think we shall have done excellently well if we can see our way clear to give this all our sympathy and our participation in the way in which it has been suggested here to-day. Some may think we are somewhat in the position of beggars with reference to the British treasury. While it may have a little of that aspect, after all, there is an element of fairness about it. We do not go there to beg, without being quite prepared to put our hands in our own pockets. After all, we are all one, if we do live a long way apart.

The motion was then put and carried unanimously.

THE PACIFIC CABLE.

The PRESIDENT.—The next order is Mr. Thynne's motion as follows:—

“Moved by Mr. Thynne, seconded by Sir Henry Wrixon: That the Canadian Government be requested, after the rising of this conference, to make all necessary inquiries and generally to take such steps as may be expedient in order to ascertain the cost of the proposed Pacific cable and promote the establishment of the undertaking in accordance with the views expressed in this conference.”

Mr. FOSTER.—In respect to that, Mr. Thynne, what is your idea? How far does it go?

Mr. THYNNE.—My idea in moving this resolution, is, that the Government of Canada shall have put upon them, the duty of keeping this question of the cable alive, on the lines that have been suggested. It will let them feel, that we, the other colonies, in putting this duty upon them, are prepared to assist them, and support them, as far as we possibly can, on the lines we have expressed during the debate. It is desirable

that this question of the cable should be kept moving. I think this is a wise step, after the resolutions which have been passed. I do not think, Mr. President, I need detain the conference, by making any speech upon this motion. I think that it is one which will meet with approval.

Mr. FLEMING.—May I be permitted to say a few words. My name has been so much connected with this matter, that I have thought it best that other gentlemen should express their views to the conference. There are three points, however, with respect to which I would like to submit a few observations. It was said, sir, by one of the delegates, the Hon. Mr. Playford, that there is no evidence to show that any Imperial officer considers the Pacific cable would be of any strategical value. In reply to this, it must be obvious that the value of the cable is self-evident, to anyone. I think it would not be possible, sir, to find any officer, naval or military, whose opinion is of any weight, who does not place the highest value upon the Pacific cable as an alternative line to Australia and the east.

Hon. Mr. PLAYFORD.—What about the Hydrographer's report?

Mr. FLEMING.—I will come to that presently. I have in my possession, evidence, which I think must be satisfactory to all, if evidence is needed. So high an authority as Field Marshal Lord Wolseley years ago expressed the opinion publicly that it would be unwise and suicidal to depend on the existing telegraphic system, as a means of telegraphic communication, between England and India as well as Australia. This opinion, I am certain, is shared by every Admiral and General of any note in Her Majesty's service. After Mr. Playford spoke on the subject the other day, when I left this room, almost the first man I saw was a well-known and distinguished British officer. I refer to General Herbert, at this moment in the service of the Canadian Government. I asked what opinion he held, and without the least hesitation he expressed himself strongly in favour of the Pacific cable; since then he gave me a document, an extract from which I would like to submit to the conference.

Hon. Mr. PLAYFORD.—I would ask if this gentleman speaks as a British officer, or as a Canadian officer? He is in the service of the Canadian Government at present.

Mr. FLEMING.—He always speaks as a British officer. He says: "The present lines of telegraphic intelligence between Great Britain and the Cape are singularly exposed to interruption. They present a large number of mid-stations, many in foreign territory, while others are on undefended points of British possessions or protectorates.

The main line connecting Great Britain with Australia is still more exposed to interruption. It has many mid-stations and consequently many possible points of attack, while many of these mid stations are on foreign territory. Passing through the narrow and shallow seas of the Indian Archipelago the cable becomes vulnerable throughout its entire length. In the event of the interruption of the existing line, Australia becomes isolated, for the purpose of telegraphic intelligence, from the rest of the Empire, since there is no alternative line.

Viewed by the light of the above statements the strategical effect of connecting Canada and Australia by a telegraphic cable, is to confer a distinct increase of defensive power on the British Empire, for the following reasons:—

1st. Such a cable would double the existing means of telegraphic intelligence between Great Britain and Australia, and ultimately between Great Britain, the Cape and India.

2nd. The line so provided would be less vulnerable than the existing ones, since all the mid-stations of the submarine section, and all those of the overland section, would be in British hands.

3rd. The Pacific section of the line being a deep sea cable, the line would not be exposed to the danger, referred to above as existing in the shallow waters north-west of Australia.

4th. Canada would be provided with an alternative line of intelligence with Great Britain in the improbable, yet possible event of a general interruption of the transatlantic lines landed in Canada, at a time when those landed in the United States might not be available.

5th. A direct line of telegraphic intelligence would be established between the northernmost station of the British Pacific Squadron, and the stations of the Australian Squadron; an incalculable advantage in facilitating the co-operation of these naval forces with one another.

It must be observed, that the full advantages above detailed would be neutralized, in the event of the Queensland New Caledonia cable being made a section of the proposed transpacific system, since that system would then cease to be purely British.

In military, as in commercial affairs, the importance of a rapid and secure interchange of intelligence, between distant points, cannot be over-estimated. The proposed transpacific cable will doubtless find many advocates upon purely commercial grounds, but I will venture to report that, viewed solely as a military line of intelligence, its value is so great that it should secure the unhesitating support of all the governments whose interests, and very existence, demand the fullest development of an organized system of imperial defence.

Sir, it is not necessary to say anything more with regard to the strategical aspect of the cable, and I am very glad to be able to supply the evidence which one member of the conference seemed to think was wanting.

The second point I wish to direct your attention to is one referred to by, I believe, Lord Jersey; I think he asked that the line of cable should be in some way defined, so that the survey might be proceeded with without unnecessary delay, that in fact it was necessary to have some idea where the survey should be carried on, before it could be commenced. With regard to this, I can only say that if the object be to establish a British cable, we must commence the survey at Vancouver, and proceed to Fanning Island, and thence southwards, Fanning Island being the nearest British Island that we possess. This reminds me, sir, that it is due to myself to make this explanation:—I took upon myself to point out on three separate occasions, that another island considerably nearer Vancouver than Fanning Island was available for a mid-ocean station. On the 23rd September, I prepared a memorandum which was sent from Honolulu by Mr. Bowell informing the Canadian government that this island was unoccupied, and unclaimed. I refer to Necker Island. When I reached Australia, the same statement was repeated by me in a memorandum dated October 11th, which was submitted to the various Australian Governments. And, again, in January last, I had, with the Agents-General and the High Commissioner for Canada, an opportunity of seeing Lord Ripon, and I placed in his hands a third document dated January 6th, in which I pointed out that this island, 800 miles nearer than Fanning Island, was still unoccupied, and unclaimed by any maritime power. That island, however, is not now available. On the 27th May last formal possession was taken of it by the Hawaiian authorities, so that if we want Necker Island we must now apply to those who have so recently laid claim to it. The nearest British island, is Fanning Island, and therefore the survey should be made between Vancouver and Fanning Island, unless some terms can be made for landing the cable at one of the Hawaiian Islands. As far as the section between Vancouver and Fanning Island is concerned, of course it would be very desirable to have it shorter, but it is perfectly feasible to lay a cable to Fanning Island. The third point I wish to mention is this:—It was pointed out by Mr. Foster that it was necessary to know the cost of the undertaking in order that the several governments might intelligently consider the whole question. The survey alone will not give us the cost of the undertaking.

Something more is needed, and the question in my mind is, who is to obtain that further information? Are we to wait until another conference, or will it not be better to have some one authority to act in following up the resolutions of the conference in regard to the establishment of a cable? The resolution submitted by the Honourable Mr. Thynne has a direct bearing upon the matter. If the Canadian Government be authorized and requested to make all necessary inquiries and take such steps as may be found expedient to promote the object we have in view, I am sure the conference cannot arrive at a better conclusion. There are other matters besides the survey and the cost which require to be considered. It may be necessary to carry on correspondence in connection with the acquiring of mid-ocean station. Possibly, a correspondence with the Hawaiian authorities and the Imperial Government possibly with electricians, manufacturers of cables and others; therefore, I think the resolution submitted by Mr. Thynne is one which should be passed by the conference.

Hon. Mr. FOSTER.—The survey to Honolulu, and thence further across, would that be all that would be necessary, even if the cable ran to Fanning Island?

Mr. FLEMING.—I think a survey from Vancouver to Fanning Island, with some soundings in the direction of Honolulu, would answer all the objects.

Mr. LEE SMITH.—I am delighted with this motion by Mr. Thynne, because it is practically an affirmation of the method of procedure which I advocated the other day, but which was then not considered to be advisable. I am not going to quarrel with words or phrases; but, if you look at the terms in which Mr. Thynne's motion is put, you will see it really means that the steps to be taken must necessarily be in the direction of inviting tenders from companies, in one way or another. During the debate on my motion the question was asked, how can you do it, unless there is some survey? The same answer is applicable to this motion. How are you going to get any definite information as to what this will cost, unless you have surveys, or unless you take the risk, or unless some company will take the risk of making the survey, and sending in a tender. It is really my motion in another form. I trust it will lead to what we all desire, and that it will not be long before we know what the cost will be. We wish to get a cable as quickly as possible. I shall be very glad to support the motion.

Hon. Mr. PLAYFORD.—The motion is a very proper one, after the position the conference has taken. I should not have risen to say a word, were it not for what Mr. Fleming has said. He fancies he has answered my statement. He has not answered me in the slightest. My contention was that it was a very singular thing, that Sir Charles Tupper and Mr. Fleming, who have taken such a great and deep interest in this cable matter, and have written so much about it, had never, through the Colonial office, got the Imperial Government to get a report from a competent Imperial officer on the question of the strategic importance of this particular cable. He thinks he has answered me by quoting some Imperial officer, who evidently is in the employ of the Canadian Government. This Imperial officer has not been asked by the Imperial authorities to express his opinion. It should come through the Colonial office in the proper way, and not through Mr. Fleming direct. It is no answer to my contention to say that an Imperial officer has given such a report to Mr. Fleming. My contention was that the report of the Imperial officer should be given to the Imperial Government, and should be got in the proper channel, through the Colonial

office, by either Mr. Fleming or the High Commissioner, Sir Charles Tupper. I contend that I am in no way answered by quoting a statement from General Herbert, who may be a very competent individual, and I have no doubt has taken what he believes to be a correct view of the situation, but, it is no answer to my contention that if we are to get opinions upon this very important subject, on which we are going to ask the Imperial Government to give us assistance, that the reports of such Imperial officer should be obtained by the Imperial Government, and that they should have a choice of the officer, and that they should secure the best official for the purpose of making it.

MR. FLEMING.—I have been aware for several years that there is in the hands of the Imperial Government the strongest reports in favour of an alternative line. I have seen such reports myself. I have seen them since this conference met, but they are confidential and cannot be produced.

HON. MR. PLAYFORD.—It is a very singular thing that the only report they have allowed to go out is the report of the Hydrographer, and he is opposed to it.

HON. MR. FRASER.—Surely the report of the Hydrographer cannot be put against the report of General Walseley. As I understand the position of the Hydrographer, it is from a mere commercial point of view altogether.

MR. FLEMING.—There are reports which have not been produced.

HON. MR. THYNNE.—If you read the Hydrographer's report, you will see it does not deal with the strategic question at all; it only deals with the requirements of the cable for commercial purposes.

HON. MR. PLAYFORD.—Oh no. I have not got my papers with me to-day, because I did not anticipate anything more would be said about the cable.

HON. MR. FOSTER.—Then, Mr. President, we should arrive at some definite understanding. If you entrust the Canadian Government with the duty of carrying out the wishes of the conference, according to these resolutions, what position is the Canadian Government to take when it comes to asking for a survey? Are we to ask the British Government to conduct the survey, and where? Are we to take Mr. Fleming's suggestion? We would like some definite instructions from the conference in regard to this matter. Are we to take Mr. Fleming's suggestion, and ask for a survey from Vancouver to Fanning Island, with side soundings to Honolulu? If it is not that, what are we going to ask? If we make a request for a survey, we must indicate some particular portion of the Pacific Ocean we want surveyed.

SIR CHARLES MILLS.—Would it not be wise to find out which is the cheapest and best route, and allow the government to have the survey made wherever they think fit?

MR. LEE SMITH.—You want the plan of procedure defined as far as possible?

HON. MR. FOSTER.—I thought it was important we should state somewhere near the portion of the ocean we wanted to have them survey.

HON. MR. THYNNE.—I do not think we can do more than has been done. I think the general line has been laid down by the discussion which has taken place. We want the shortest and quickest route. We want it through British territory, or under British control. That is a definition of itself, and defines the course of the line.

HON. MR. PLAYFORD.—The shortest route leaves New Zealand out.

MR. LEE SMITH.—We could get a line across.

Hon. Mr. THYNNE.—The Admiralty will be able to select the most effective and best course to take. We have laid down, in a general way, that it is to be the shortest and quickest route. We want also, that the line should go through British territory, and be under British control. Those two definitions, practically, are sufficient for the Imperial and the Canadian Government, as guides for the direction in which the survey should be made.

Mr. LEE SMITH.—Mr. Playford has suggested the position of New Zealand. So far as New Zealand is concerned, we have got two cables across to Australia. To make this matter complete we would want to get possession of these two, or get an independent line, or, as a third alternative, go direct to New Zealand. If we are expected to contribute to this, we should have an independent line. With regard to Mr. Foster's suggestion that there should be some statement as to how we shall carry out Mr. Thynne's motion, let me say this: Even suppose we did not want a company to put it down and run it for themselves, why not advertise for somebody to lay the cable as a national concern, and to keep it in order for so many years. I think you would get plenty of offers within six months.

Hon. Mr. SUTTOR.—I think the point raised by the Hon. Mr. Foster is worthy of consideration by every member of the conference. If we ask the home authorities to survey a route, say from Vancouver to Fanning Island, and they report that the depth of water, and the condition of the bottom make it easy to run a line from Vancouver to Fanning Island, we should not stop there; we should consider further the objections raised by some of the scientific people that it is impossible to work a line profitably, of such a length. If we are to restrict our ideas to the survey of a line irrespective of the scientific objections raised, we may then find ourselves in the position that it is quite possible and easy to lay a line from Vancouver to Fanning Island, but the question of the practicability of working a line of that length may not have been considered. It seems to me we must go further than ask the imperial authorities to make a survey; we must ask them to ascertain from the highest possible authority whether we can profitably work a cable of that great length. If there is any doubt about that, we must then ask them to have surveyed an alternative line; but, we cannot ignore the question of the practicability of working a line of that length. We may find ourselves in the position that it is quite possible to lay a line, but it may not be practicable to work it. That will have to be considered in making the proposal we shall have to make to the imperial authorities.

Hon. Mr. FOSTER.—The two, certainly, must go together.

Hon. Mr. SUTTOR.—Yes. We must ask the imperial authorities for something more than the mere survey of the line. I am very glad to support the proposition made by Mr. Thynne, and, although it is not very definitely stated, I conclude his proposal embraces the suggestion that all communications with the imperial authorities should be made by the Canadian Government. I should like to suggest in connection with this, and I hope I shall not be considered out of place in doing so, that if the Canadian Government are going to make these representations through their High Commissioner in London, Sir Charles Tupper, they will permit to be associated with him the different Agents-General of the colonies interested. We feel that our representatives in London should know exactly what is going on, so that they may report to their different governments the steps that are being taken from time to time.

The PRESIDENT.—You mean in connection with making the inquiries?

Hon. Mr. SUTTOR.—I am sure the suggestion I am making will be accepted in the same spirit in which it is made, that all the colonies interested in this conference may be represented in any communication between the Dominion of Canada and the imperial authorities.

Hon. Mr. FOSTER.—Any communications the Government of Canada would make to Great Britain would not be made through Sir Charles Tupper; they would be made direct to the Colonial Office, and, very often, in regard to these things, we send the same information to Sir Charles Tupper, as our High Commissioner. We ask him to follow up the matter. Certainly, all the colonies interested should have their Agents-General working in unison. There is no doubt about that. We will see to that.

Hon. Mr. SUTTOR.—If the communication is made direct, the colonies will be informed of the steps taken as soon as possible.

Mr. LEE SMITH.—What is it understood you are going to do, Mr. Foster?

Hon. Mr. FOSTER.—Give effect to these resolutions. I take it, that under that instruction, if it were considered advisable, in the first place, take one contingency, if we get a survey, that it is open to the Government, if it thinks best, to try to get at the cost of a cable by some such means as my friend Mr. Smith suggests.

Mr. LEE SMITH.—That is the very thing I want. I think you will find that is the only practicable method.

Hon. Mr. FOSTER.—I mean, that under that resolution, if it asks for a survey, and the British Government come to the conclusion that they are not able to make that survey, and in fact do not make it, it is quite open for the Government of Canada to try to ascertain the cost of the cable, or what it could be constructed for, by some such means as my friend Mr. Smith suggested, by asking parties to tender. Or, it is perfectly competent for them to communicate with the Australian Government, and say, shall we carry on this survey alone.

Hon. Mr. THYNNE.—Or, you may go further. Supposing you have the survey made, you may call for tenders as to the cost of laying the cable.

Hon. Mr. FOSTER.—Oh, yes, certainly, we would be obliged to do that.

The motion was then put to the meeting and unanimously carried.

THE BANKRUPTCY LAW.

Sir HENRY WRIXON.—I wish to call attention to a subject, which you cannot now fully discuss, but it arises in this way, and has reference to the law of bankruptcy in one or other of the countries, Great Britain, Canada, and the colonies. This question was exhaustively dealt with by the Colonial Conference in 1887. In that conference, as members, there were eminent legal gentlemen. They obtained the aid of a counsel in London, of high authority, and they drafted several bills dealing with this subject: they also got opinions as to different questions that arose. The different suggestions there made have never been able to be given effect to, but, as we are sorry to say, there have recently been bankruptcies of companies carrying on business both in Australasia and Great Britain, which has rendered it exceedingly desirable that the law on this subject should be perfected, and all difficulties and ambiguities cleared away. Therefore, without pledging this conference to any view on the subject, which would not be reasonable, I simply wish to place on record our desire that the matter should be dealt with, calling attention to the exhaustive manner in which it was considered by the previous conference in 1887. I feel that it is desirable that this conference should

preserve some continuity, and that when matters were taken up and dealt with, they should not be allowed to lapse, and that, if necessary, another conference may call attention to what has been suggested. With that short explanation I beg to move, seconded by Hon. Mr. Fitzgerald :

That this conference desires to call the continued attention of their respective governments to the proceedings of the Colonial Conference of 1887 in regard to the bankruptcy and winding-up of companies, with a view to completing the necessary legislation upon the questions therein raised.

Motion carried unanimously.

FORWARDING THE RESOLUTIONS OF CONFERENCE.

Sir HENRY WRIXON.—I beg to move, seconded by the Hon. Mr. Fitzgerald :

That the chairman be requested to forward the resolutions and proceedings of this conference to the Right Honourable the Secretary of State for the colonies and for the Premiers of the colonies represented ; and to take such steps as may be necessary for calling continued attention thereto.

That applies to all the business, so that the chairman be empowered to be our administrative hand to complete the work we have done.

Hon. Mr. FOSTER.—It is the same thing, in a general way, that you have done with reference to the cable, in order to make sure that things will go on.

Hon. Mr. PLAYFORD.—I will support the motion. I think the members of the conference would very much like to be in a position to send a copy of the proceedings to their respective governments at the earliest possible date. If we wait until you are in a position to send bound copies, considerable time will elapse. Before I leave here I should very much like to have a rough copy, as long as it is a corrected copy. I desire to send a copy, as quickly as possible, to our government. I feel quite sure the other delegates would like to do the same with regard to their respective governments. We may have to wait a month or two before we can get the bound copies to send out.

The PRESIDENT.—I do not think it possible to have the copies before the Hon. Mr. Playford leaves, in a state in which they should go out. They will have to be carefully revised, line by line. I will not wait for the bound copies, unless the bound copies can be got within a day or two. I can send them so that they will reach you in London.

Hon. Mr. FOSTER.—For weeks before we came together a great deal appeared in the papers of Great Britain, Australia and Canada with respect to this conference, as to what it was going to do, what the result would be, and public expectation with reference to the matter was somewhat excited. Great desire has been evinced in different parts to know what this conference would do when it once assembled. As an evidence of that, the *Times*, a London newspaper, took the trouble of sending a special correspondent to Ottawa. The *Times* has been very friendly to this conference, giving it extended notices, and prophesying good things of it. When the public mind is on the *qui vive*, and the conference is just in session, or just about closing, is the time when the public mind will take in, better than at any other time, the results of the conference, and do you not lose practically all the good effects by putting these in the shape of closed records, keeping them for 4, 6, or 7 months? When it comes out then in the shape of a parliamentary paper, is it not something which is so old that newspapers will scarcely take cognizance of it, and the public mind will have cooled towards it? I think there is a good deal in that view. Special correspondents are here, the public mind is fresh, we are now about finishing our labours, and why should we not have all the good that is to come from this conference, and simply let the newspaper men take hold of it, and work it up for all it is worth? Of course, with the exception of those

confidential portions, which we do not propose to give out. Is there any reasonable objection to that? If there is not, I am very strongly of the opinion that we are going to lose, if we do not adopt that course. I am told that Australia is very anxious to know. They have sent there men here, and they are anxious to know what they have done, and they want to know in extenso. In fact, I violate no confidence when I say they have a correspondent here now authorized to send them column after column of the record of this conference, and, he knows nothing, and can know nothing, so long as the view we have been acting under, so far, prevails. I think there was good reason, while this conference was doing its work, that the public should not take it piecemeal, and interpose its criticisms, and so on. We have, however, practically finished, that objection does not exist.

Mr. LEE SMITH.—Before the conference closes, I would like to suggest that the same course be followed by the chairman with regard to the mail service, as we have authorized him to follow with regard to the Pacific cable, that is to say, if he fails to do anything better with Mr. Huddart's company, that he be at liberty to invite tenders, or take some steps to ascertain the best terms which can be obtained. A good deal has been said about what Mr. Huddart wants. The chairman might, from inquiry, find out that other companies would take considerably less. I do not think it would be conferring too much power, if we authorized him to take similar steps, with regard to the mail service, that we have suggested he should take with regard to the Pacific cable.

Hon. Mr. FOSTER.—One other point, in regard to the proceedings. If we do not give out what takes place here, we can rest assured of one fact, that for several days hereafter accounts will be put forth in the newspapers, American, English and others, of what has gone on here, by people who really do not know. Consequently, a garbled view of the thing will really get before the public.

Hon. Mr. FRASER.—It is imperatively necessary, in my opinion, that this recommendation should be carried out, and that the press should have the information.

The PRESIDENT.—I am very glad the conference has come to this decision, because I felt that I had placed myself in a rather false position the other day, when I gave certain information to the press. I understood it was my duty after full discussion, and after a final conclusion had been arrived at, to give such information to the press as I thought would be of interest to the public. One of my colleagues thought I had exceeded the power with which I had been invested, hence, I took very good care not to give further information of any kind. Last night, however, I thought that resolution in reference to trade was of such great importance, more particularly in England, that after receiving a note from the Hon. Mr. Foster, with which I fully concurred, I gave it in full to the *Times* correspondent. I gave it, more particularly, for the reason that he was sent here specially by the London *Times* to be informed of what was going on. After what you have said, as soon as I can look at these proofs, I shall place them in Mr. Parkin's hands from which he will make such a synopsis as he pleases for the English and Australian press.

Hon. Mr. FOSTER.—Mr. Parkin is a man to whom you can give the proof as it stands.

Sr. HENRY WRIXON.—Is it understood that you will give that information, and that we will not individually give it?

The PRESIDENT.—I will see that it is done.

Sir HENRY WRIXON.—If any one asks us, we will refer him to the chairman.

THE DETAILS OF COLONIAL RECIPROCITY.

The conference re-assembled at 2:30 p.m.

Mr. PRESIDENT.—Gentlemen, I am not aware that there is anything particular now before the conference. I think the intention was that we should have a talk over trade matters more in the way of a conversation than any other. We were to have an informal talk.

Hon. Mr. SUTTOR.—I have to thank you Mr. Bowell, in your capacity as Minister of Trade and Commerce, for the permission you have given the members of this conference to address you in an informal manner on the question of trade which we hope to establish in the future between Canada and Australasia. Although there are differences in the tariffs existing in the Australian Colonies and in Canada, there are many articles in which we might reciprocate in trade. You have a tariff here that imposes a duty upon many of our products, still notwithstanding those duties, if you do not see your way clear to remove them wholly or in part, there are some things that are admitted free, and even with the articles upon which there are duties, I think a considerable trade might be established between the two. Our great staple industry in Australia is wool, and whatever may happen to the colonies in the future and whatever legislation may take place with a view to encouraging people to settle upon the land and occupy smaller holdings, I feel persuaded that even then we shall have more sheep within our territory than we now have held by our large landholders. I am glad to find as regards the wool that is chiefly produced in Australia, that is merino wool, you have no duty here in Canada, and therefore it is a mere question of endeavouring to bring about a closer relationship between these two dependencies of Great Britain, to establish what will ultimately be a large trade in that commodity. We all know how you have succeeded in Canada in building up in your territory large manufactories, and it must be patent to any one who reads the statistics of the Dominion that you are not at all likely at any time to find the necessary raw material that you require. As a matter of fact your sheep instead of increasing have been slightly decreasing, and you have only about 2,500,000 sheep in Canada. In the Australasian Colonies we have now about 125,000,000 of sheep, and you can easily see that we have an enormous amount of wool at our disposal for export. It is not necessary for me to point out to you that the greater portion of our wool now goes to the foreign countries in the world. We export largely to Germany, France, Belgium, and other foreign countries, as well as having an enormous trade between ourselves and England. I must not forget to mention the great trade I hope will spring up between the Australian Colonies and the United States of America now they have taken the duties off wool, a raw article that they require in large quantities. It does seem to me somewhat peculiar that notwithstanding the large quantity of wool you buy, you have bought chiefly through other countries and not directly from the colonies. You either buy in England or in the United States. If we are going to establish a direct trade between Canada and the colonies there is no reason why you should not enter into direct communication with the sellers, and in that way you will find if you send your buyers to the markets of Sydney and Melbourne that they will have a much better choice in the fresh raw materials, than they can get in the more restricted markets in the United States and England, and they will buy the wool first hand from the producer. To give you an idea of the extent to which our markets are growing, I may tell you that all the great manufacturers of Europe send representatives to the Australasian Colonies, and

they buy wool in such large quantities that I know instances where a single buyer has chartered an enormous steamer and filled her with bales of his own purchase. I have no hesitation in saying that before very long the great wool market of Australasia will be in Sydney and Melbourne instead of London. It is not necessary for me to quote figures to show that the great amount of wool sold at these centres is enormously increasing annually; and we believe in a short time it will be to the benefit of any one who desires to buy wool in great quantities to send down to Australia and buy there direct from the breeders. I am glad to say that the Department of Agriculture in the colony from which I come have recently sent up a number of samples of wool to Canada for your inspection, and I have no doubt you will place them in such a position that the people of this country generally will be able to see the quality of wool we produce, and ascertain whether it is suitable for the purposes for which they desire that product. I have no doubt a large trade can be built up in this direction, because the commodity here is absolutely free. There is another direction in which I think you might utilize the animal that gives us the wool, and notwithstanding the duties that you now have on mutton a large trade ought to be established at any rate to British Columbia and considerably further east in frozen mutton. You will understand this when I tell you that the amount the producers of mutton receive in the Sydney market is now about 2 cents a pound, and I am informed that in British Columbia and in Winnipeg mutton is selling retail at 14 to 15 cents per pound. I think you will see there must be a margin there, if we can bring into closer communication the consumer and producer than is the case at present. Although it does seem a large tax to be put upon mutton —

Hon. Mr. BOWELL.—It is an ad valorem duty now.

Hon. Mr. SUTTOR.—Two cents a pound on mutton as it was a short time ago, is 100 per cent upon the cost price that the producer gets for it.

Hon. Mr. FOSTER.—Mutton is 35 per cent ad valorem.

Hon. Mr. SUTTOR.—The original proposal was, I think, to reduce the duty from 3 to 2 cents, and that means 100 per cent upon the first cost of the mutton as purchased from the producer. If it is 35 per cent ad valorem, we are still in a better position than we were under the 2-cent proposal. If we can only assist the mail steamers now running between Australasia and Vancouver, by giving them encouragement, that will justify frozen chambers being provided, and I believe a considerable amount of trade will be done between the Australasian Colonies and Vancouver and further east than Vancouver. A great deal of the mutton they are now consuming in British Columbia comes from Oregon, but we are sure of this, that it is inferior to mutton received from the Australasian Colonies. In British Columbia again we ought to find a market for our tinned meats. There they consume about 150 tons per annum. Some of this comes from Eastern Canada and the United States of America. The naval station of the North Pacific, which is at Esquimaux Bay, is a large consumer of tinned meats, and we may hope to induce the authorities to purchase some of our meat if it is as good and as cheap as that purchased elsewhere. There is also a large sealing fleet that is fitted out at Victoria, and there are a large number of lumbermen and miners who consume this meat in considerable quantities. Other commodities we may supply you with, are rawhides and skins of various kinds. Hides raw, whether dry, salted or pickled, are admitted into Canada free, and as we know perfectly well that you have a large trade with the United States in skins, it shows that you have to go outside of your own borders to supply your own

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market. I understand at present the greater part of the skins used in Canada are received through the United States.

Hon. Mr. FOSTER.—A good many of these come up from the Argentine Republic and South America and they are treated as United States exports.

Hon. Mr. SUTTON.—As they are free now, I think from the great quantity we have at our disposal we may ask you to favourably consider our claims to trade with you in this commodity, and your people have only to see the hides we produce to be convinced that they are as good at least as any of the hides they can get elsewhere. We have a considerable amount of trade with the United States in the skin of the kangaroo. It may not be altogether a waste of time to tell you that the kangaroo was considered such a pest a few years ago that we were paying so much a head for its destruction. Now they have become so scarce by the rising of the prices and the trade with the United States, that before long these animals may be as extinct as your buffalo. We have only got to prove to you the wonderful durability of our timbers to induce you to use them for some of the purposes you are now using the soft woods of Canada. If you could only see the wonderful durability of some of these excessively hard woods in Australia you would be in a short time convinced that although you might pay more in the first instance for your railway ties, it would in the end pay you to import these timbers of ours, which are almost indestructible and which will last practically for all time. Another purpose for which our timbers can be used advantageously here is for wooden blocks in the streets. We have tested and tried a great number of the different varieties of timber, and we find that these hard woods of Australia far exceed all other woods in durability for that purpose. The Mining Department of New South Wales has sent to the Canadian Pacific Railway people sufficient of these blocks to pave 100 feet by 50 feet, and when they put up their railway station in Vancouver, they have promised to lay these blocks as a test, and if any further test is desirable, I feel convinced the department will send you a supply if you will promise to lay them in some street that will give them a fair trial as to durability and where they can be compared with the blocks you are now using. I may as well tell you the prices at which we can supply these blocks for paving purposes. I am informed by the Mining Department that these blocks can be put on board a ship for 10s. 6d. per 100 superficial feet.

Hon. Mr. FOSTER.—What is the timber?

Hon. Mr. SUTTON.—It is the different gums. The red spotted and gray gum, the blue gum, the black butt and box. Tallowwood and turpentine ties, can be delivered free on board in Sydney for 3s. 3d. each. Iron bark ties 9 feet by 10 inches by 5 inches would cost about 3s. 6d. to 3s. 9d. each.

Hon. Mr. FOSTER.—Can you tell us the durability of these ties?

Hon. Mr. SUTTON.—The iron bark would last fifty years. In buildings in Sydney they have taken out pieces of this wood which had been put in sixty or seventy years ago, and they were as sound as the day they were first placed in position.

Hon. Mr. FITZGERALD.—This wood is also proof against the attacks of marine insects.

Hon. Mr. SUTTON.—Ties have been laid on railways for twenty years, and they are as sound to-day as the day they were laid. Now, in other matters, I think, Mr. Bowell, we may establish a trade on account of the reversal of our seasons. Our winter is your

summer, and our summer is your winter. We think that in the matter of fruit some trade may be opened ; that such fruits as oranges, lemons, and possibly apples, may be sent to you.

[At this juncture some specimen blocks of Australian woods for street-paving were shown to members of the conference, and one block of iron bark that had been down on a street for thirteen years was exhibited none the worse for wear].

Hon. Mr. SUTTON.—This specimen is iron bark, and is the hardest wood of the Eucalyptus family. Now, in the matter of fruit, I must admit that if we are going to be successful, we must warn our people not to send inferior fruit. We must see that our fruit is of the very best quality, and as marketable as the fruit sent from California and the Pacific slope or the West Indies. That is a matter of instruction to our California producers. I saw some fruit for sale in Vancouver which could not have been sold in any market in the Australian Colonies, and I was informed this fruit came from Tasmania. It simply shows that if we are going to open up a trade we cannot do so by sending our worst instead of the very best articles. I am informed by the officials of the Department of Mines that New South Wales can supply lemons, oranges, and mandarins in considerable quantities from the middle of May to the end of July, and if the prices realized in Canada prove satisfactory the quantity supplied could be increased to the extent of meeting Canada's whole requirements. The lemons would be of the main crop, a first-class fruit that would carry, and such as would keep if well packed. Oranges could be supplied not only from the middle of May to the end of July, but to the end of August or September if required. New South Wales oranges get sweet in July or the end of June. The dates, during which mandarins could be supplied, are from 1st June to the end of July. The prices are as follows for the fruit in orchard : Oranges, 2 to 4 shillings per gin case ; lemons, 2 to 5 shillings per gin case ; mandarins (thorny), 3 to 10 shillings per gin case ; mandarins (Emperor), 2 to 6 shillings per gin case. If properly packed for export, using the Californian standard case for oranges, the sum of 2 shillings per case should be added for picking, grading, wrapping, packing cases, and laths. Now, I think, we may say that butter comes under the head of an article of general consumption. It is not now considered as a luxury, and we may ask you whether we might not establish a trade in butter for your winter months. At any rate we might supply the people of British Columbia with butter of a good quality, and from reports that have been furnished to me, I find that your people in British Columbia say that the butter which they receive from Australia is far superior to that they receive from other quarters, and I understand that Australian butter of a good quality can be sold in British Columbia readily, at retail, from 30 to 35 cents per pound, and this is a price that will give a satisfactory profit to the Australian shippers. Then, again, there is another article that we are producing in large quantities, and later on will produce more extensively. You admit raw sugar up to a certain standard free, and as you have a considerable number of refineries, this article of sugar might be readily sent up here on our mail steamers.

Hon. Mr. FOSTER.—What does our standard run to ?

Hon. Mr. SUTTON.—I understand up to 14 Dutch standard is admitted into Canada free.

The PRESIDENT.—It has been raised to 16 Dutch standard under the new tariff.

Hon. Mr. THYNNE.—That would meet our sugar better.

Hon. Mr. FOSTER.—Do you refine very largely ?

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Hon. Mr. SUTTON.—Yes, we refine very largely indeed. The Colonial Sugar Refining Company buy their sugar all over the Australian colonies and from Fiji.

The PRESIDENT.—There is no reason why you should not send your tin here. We have none in this country.

Hon. Mr. SUTTON.—I am glad you mentioned it.

Hon. Mr. FOSTER.—It comes in free

Hon. Mr. SUTTON.—We have copper as well as tin.

The PRESIDENT.—We are consumers of a large quantity of tin in our canneries and fisheries.

Hon. Mr. SUTTON.—I should like to mention two or three manufactured articles which you produce largely and in which we might trade with you. First, there is paper. There is no duty at all in the colony I come from on paper, and you produce this article in large quantities which we can consume to a great extent. There is very little paper manufactured in the colony I represent, and there is no duty whatever upon printing paper. We have only to go through your mills to see the extensive dimensions that this manufacture has reached here, and there should be established a trade between Canada and the colonies without any trouble in that article alone. We are depending almost entirely upon the outside manufacturer for the paper we consume. We are willing to trade with you if you can show that you produce an article equal to what we get from other places at the same price. You also manufacture large quantities of cotton goods. Cotton material in New South Wales is admitted free. We do not produce cotton, and therefore we do not encourage the manufacture by putting a duty upon cotton material not made up. We want to bring cotton in as cheaply as possible and there is no reason why we should not establish a trade in New South Wales in cotton fabrics, the only duty we have being upon made up articles. Then, I conclude that if you send your salmon down to the colonies it would come in under the designation of fresh fish if it was simply frozen. There is no duty upon fresh fish in New South Wales, and if you can make arrangements to encourage a trade in salmon there is no reason why we should not consume annually large quantities of the salmon you procure in British Columbia. We have now in Sydney, chambers where this salmon can be kept for months at a time, and as other companies are building warehouses for the storage of frozen products you will be able to send considerable quantities of these fish to the colonies without risk.

Hon. Mr. FOSTER.—How is your canned salmon, does that bear a duty?

Hon. Mr. SUTTON.—It does bear a duty, but the duty is not very much. I am glad to have had this opportunity of offering these few remarks in the hope that before very long our deliberations will culminate in a large trade being established between the Dominion of Canada and the Australasian Colonies.

Mr. LEE SMITH.—Now, that Mr. Sutton has advertised his wares at considerable length, and as I am the one who suggested this discussion, I shall be entitled to follow and bring before the conference some of the articles which I think we can possibly interchange with you. I shall begin, sir, by observing that your wool tariff appears to me to be very prejudicial to the interests of my colony. My colony is very essentially a cross-bred wool producing country. You all know a great deal of the manufacture is now upon wools of the cross-bred character, not merino, but other wools known as cross-bred wools. I feel, if this tariff is left in this way, if you take merino wools free from other colonies and tax cross-bred wools at three cents per pound, it will

be antagonistic to the interests of my colony. I wish you to take that into consideration, more especially as I am going to bring to the attention of Mr. Foster an instance of our liberality towards Canada, which I do not think is equalled in any other colony. I believe, besides New Zealand, there is no other colony that admits agricultural implements free.

Sir HENRY DEVILLIERS.—The Cape of Good Hope does the same.

Mr. LEE SMITH.—I am speaking of the Australasian Colonies, Sir Henry, and I was pointing out that for several years we have admitted into our colony agricultural implements, and more especially reaping machines, free. A large quantity has come from the Massey-Harris Company, of Toronto, in fact 4,000 of one kind and another have been shipped to New Zealand from Toronto, and I think you should fairly respond to such liberality on our part by putting a product like wool upon the same footing with regard to our colonies as you put merino with regard to the other colonies. I think that is a fair claim. Coming to woollen goods, I may say that I brought with me on behalf of several manufactories in my colony some sample products. New Zealand has led the way in the manufacture of woollen goods, and we have £700,000 invested in woollen manufactures, one mill alone costing £200,000. I have shown these samples to the people in Vancouver and elsewhere, and they say they are equal in every respect to anything imported from England or Scotland, being the very finest class of pure wool goods both from merinos and cross-breeds. More especially is this so in our travelling rugs and tweeds for making men's suits. I have to ask you to see if you cannot put us in a better position with regard to woollen goods. I do not wish to exact a preference against Great Britain, but this is a line in which you could put us in a better position than you put France and Germany in. I have been told that with a very slight reduction in our prices there would be a large demand in Canada for these woollen manufactures which we are now producing in such large quantities, having the very latest and best machinery that can be produced. I come to the question of gum. Our country has a unique gum which has been largely used in the United States. The United States have been our best customers, but they are falling off a little. We have had an income of £500,000 a year from this product. When you learn that we have this superior article for varnish I believe you will do a large trade with us direct, for you already buy the same thing second hand through the United States. With regard to flax, you put raw flax on the free list. I may say that although we take your timber free, and your agricultural implements free, you do not allow the manufactured articles in flax to come in free. We have something new and most unique with regard to binder twine in New Zealand. From the New Zealand flax fibre we can make a most suitable article in binder twine, and when we allow your agricultural implements to come in free, you might allow our binder twine to enter your country on the same terms. Then I come to basils, or tanned sheep skins. Our country being a producer of long wool, the skins of the animals are very much more useful for tanning leather than merino skins, and it is quite an important industry in my district, the tanning of these skins and putting them into the manufactured form of basil skins. That cannot be so well done if you let the skins dry and export them and tan them afterwards. They lose their vitality. I ask you whether you could not allow basil skins to come in free. If you do I feel sure we should be able to do a very large trade with you.

Hon. Mr. FOSTER.—What are they used for?

Mr. LEE SMITH.—The tops of ladies' boots, covers for couches, chairs, &c. It is an enormous trade. The sheep are large in our country, and the basil skins are worth that much more for that reason. Then in rabbit skins, I believe we can do a large trade with you in this direction. In the other Australasian Colonies there is a large supply of rabbit skins, but ours are better. I will explain how this is. Ours is a colder climate, and a winter skin is better than summer skin because the fur is longer and it makes a better article. Then in meats we could do quite a trade in frozen mutton. I have listened to Mr. Suttor and say, with all due deference to him, that he cannot get over the fact that New Zealand is the place for frozen mutton. Vancouver has got frozen mutton from New South Wales, and I will say no more than this, that the people of Vancouver do not know yet what juicy succulent mutton is.

Hon. Mr. BOWELL.—A slight study has convinced me that Australasian mutton can be carried as far east as Chicago at a profit and pay the American duty.

Mr. LEE SMITH.—Now I think I have exhausted the leading articles of products that we have for export to Canada. Let us see what we can take from you. First there is fresh salmon. I had not had an opportunity of eating fresh salmon for a long time, and on my arrival in Vancouver there is nothing I enjoyed so much as the taste of real fresh salmon, and I have been almost living on it ever since. If you had a service in a direct line with refrigerators and appliances on the boats for the storing of these fresh salmon, you would find an enormous business throughout New Zealand from north to south. Then there is another thing: I understand that you grow some good hops and in many cases your hops are quite equal to the Kent hops. We raise only a few of them in New Zealand and necessarily have to import some. Then a product has been mentioned by Mr. Suttor, namely, paper. Both the newspapers, the *Dunedin Times* and *Star*, get their paper from New York. They have transferred their business from Edinburgh to that city. These two newspapers have a large circulation, and the item of printing paper alone would be an important item. I have called at Eddy's mills, and I am satisfied from what I have seen there that there are opportunities of shipping large quantities of paper to New Zealand. I have indicated a few things I think we can do business with you in after we shall have established a communication, and if we can carry out that communication we shall have a great deal more reciprocity between New Zealand and Canada than has yet been thought possible.

Hon. Mr. FITZGERALD.—It is needless to say in the colonies, as well as in Canada, we have strong expectations that we shall be able to widen our trade relations, and it is also needless to observe that anything in that respect that can be done shall be done, and this conference has done a great deal to promote the objects in view by a personal acquaintance with each other in order that we may inform our respective governments the points on which communication with each other are more likely to meet with successful results. Now, sir, speaking for Victoria and Tasmania, the articles that we produce certainly at the present moment do not seem to be of a very great scope, especially owing to the tariffs of the respective countries. Wool you admit free. I say that the rough timber in such a form that it could be exported are admitted into Victoria free.

Hon. Mr. FOSTER.—How about sashes, &c.?

Hon. Mr. FITZGERALD.—The difficulty will begin with regard to sashes. That is manufactured timber, and owing to the National Policy of the country being to protect the manufacturing interests, any serious modification which will affect the industries

established under that principle in the colonies for the working of your rough timber into sashes, &c., would be very difficult. Canada adopts the same principle and must sympathize with Victoria, and understands the difficulty which will be found in both countries in granting a request which would interfere with the labour of either colony. Now, I want to say in the production of wine that Victoria, with the exception of New South Wales, produces per acre a larger average than any country in the world. No, I am not correct in saying that. The production for Australia has an average set down at 190 gallons per acre. The production of South Australia is 160 gallons, while it is 237 gallons per acre in New South Wales, and 247 gallons per acre in Queensland. In France the average production per acre of wine is 133 gallons. Algeria gives the high average of 300 gallons per acre, and the Cape 220 gallons per acre. I allude to the return per acres, because an allusion was made in this conference to the effect that Canada was about to enter into a treaty with France for the import of wine, and it appears to me that Australia ought to be able in this market with her wines to beat France or any other country.

Hon. Mr. FOSTER.—Do you export sparkling wines? Do you make sparkling wines?

Hon. Mr. FITZGERALD.—It is a new industry. It has not reached any dimensions yet. With regard to the Canadian duty I do not think there would be any difficulty in coming to an arrangement with any of the Australasian Colonies with reference to that. It would give a great share of the trade with Canada instead of the United States as before.

Hon. Mr. FOSTER.—Do you do anything in condensed milk?

Hon. Mr. FITZGERALD.—Our milk production is so large it would be hopeless to expect to promise anything in that. The export of our butter has reached large proportions in the colony of Victoria. Last year the value of the exports amounted to nearly £1,000,000 sterling in butter, and the trade is growing larger, our butter bringing a very high price in the London market. With regard to fruits, Tasmania exported in 1891 £175,000 worth. Now, that would be much larger if the class of fruit were different. Stone fruits are chiefly grown in that country and the value of stone fruits in quantity is smaller than the other fruits, such as oranges, &c. I do not know whether the market here would be a large one for that fruit industry, at all events if by care and attention to the class of fruit exported a market would be established here which would be of advantage to that colony. The whole question of this interchange of commodities appears to me to rest upon the carriage. If the cost of carriage is reduced there is no doubt in the world Australia will be a large shipper of commodities that will suit the Canadians the best. In addition to this interchange of commodities, this important question should be considered. The cost of the carriage of fruit from Australia by the Canadian Pacific Railway to the more thickly-populated centres here in the east, such as Toronto, Montreal and other cities, would be a prohibition of its export. Shipments by the Eastern route are exceedingly rare. If arrangements could be made with regard to fruit, and the regularity of communication more facilitated, our trade relations could be much extended. I sincerely hope that this conference will tend to bring about this desirable result.

Hon. Mr. FRASER.—No doubt in time a considerable trade will spring up. If this steam traffic continues we will have a larger trade than at present between Australasia and Canada. We do take at present largely of timber, rough undressed timber.

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The PRESIDENT.—What do we understand by timber?

Hon. Mr. FRASER.—Timber in the bulk.

Hon. Mr. FOSTER.—What does that mean?

Hon. Mr. FRASER.—Huge sections of timber undressed, uncut, in the log. They are really beams. There are heavy duties upon anything that is dressed in Victoria. I mean in the bulk, just as it comes from the saw, squared timber. The duty is pretty heavy upon that, and there is a great outcry just now with the building trade in Victoria on account of the heavy duty imposed; but in any case we must get our timber from Canada or from the United States. We would all be delighted to divert our trade entirely from Canada to Australia instead of from the United States to Australia by a simple tariff arrangement. That can be easily done.

The PRESIDENT.—Can you tell me why in your tariff you declare that Oregon timber and lumber is rated at a certain duty and that British Columbia pine shall not be rated as Oregon timber? It is in reality the same.

Hon. Mr. FRASER.—My attention was drawn to that in Vancouver. I think it is perfectly absurd. The Douglas pine is Oregon timber.

The PRESIDENT.—I find in a note in your tariff the following:—"British Columbia is not to be described or entered as Oregon pine." Why is this?

Hon. Mr. SUTTOR.—Is British Columbia pine put at a disadvantage with Oregon pine?

Hon. Mr. FRASER.—Yes, it is. I do not know the reason. I learned it for the first time when I was in the Vancouver Mills. So far as timber is concerned we must get the timber from Canada or the United States. At present we are not consuming much, because we are under a depression, but that depression will pass away and we will be all right again in a short time with regard to that. An arrangement might be arrived at with regard to the timber and some other duties. There is no reason why we should not take fish from Canada instead of the United States, as a lot of it is now got from the United States. There is no reason why we should not get it altogether from British Columbia if the transit charges are reasonable. I see great difficulty with trading on the eastern side of Canada on account of the overland transit charges.

Hon. Mr. FOSTER.—British Columbia has the fish.

Hon. Mr. FRASER.—Yes, in abundance. So has she got timber in abundance. There is no connection just now between Montreal and Australia by water. I found that out in my negotiations with Mr. Eddy. I came here with the full intention of doing business with the Eddy Company Mills. I am not going to divulge business secrets, but I have asked for the lowest rate to Victoria on printing paper. We are large consumers of printing paper. The evening paper with which I am connected myself has a daily issue of 25,000, with an issue of 45,000 on Saturday, and the issues of the daily papers are very, very large.

Hon. Mr. FITZGERALD.—One paper uses nine tons of paper in its issue per day.

Hon. Mr. FRASER.—There are one or two papers in Melbourne with an enormous circulation. *The Age* has a circulation of 100,000 copies per day. It is only a matter of charges. I see great advantages to both parties if we can trade largely in paper. Here you get your wood from which the paper is made sawn by water power, and the whole thing is manufactured at a low rate indeed. A half-penny per £1 on the lumber, fish and paper would run into large figures, and I think a large amount of money could

be made in this Australian trade. I have a statement from our Commissioner of Customs as to the duty upon petroleum oils. We have no such an item in our lists. A friend of mine in Toronto, who manufactures petroleum oil, said he thought a considerable business could be done under some trade arrangement. Then again you manufacture largely of matches. I have seen some of the matches manufactured here and they can be manufactured cheaply, and I do not see why you could not do business with us in that line. In harvesting implements you can also get a good trade. I have used the Massey Reaper and Binder myself and it is a very excellent machine. The company have an agency in Melbourne, and the farmers are now crying out against the high protective duty and Parliament is inclined to deal liberally with the farmers, so there is a probability of a lower duty upon reapers and binders. By and by I hope we will manufacture pure grade brandy. There is no country on the earth that can make a purer or more honest straight brandy. We can manufacture very largely of brandy. We have commenced the manufacture of brandy at Melbourne on a large scale, but I am sorry to say that the Act authorizing the incorporation of the concern is not so strict as to confine them to the manufacture of brandy from the pure juice of the grape. We can change the Act to compel the brandy to be from the pure juice of the grape. We can send you cheap tinned meats, and as far as tinned meat is concerned, some objection can be made to our competition with Eastern Canada, but it is not possible for them in the east to convey these tinned meats over thousands of miles of railway. Tinned meats are now consumed largely in Vancouver and Victoria. As far as their seal fisheries are concerned, I think we ought to be able to supply all of that trade. There are a great many boats now fitted out with the meats from Chicago. We can beat Chicago hollow in that respect. We can beat them with regard to prices and we can beat them in that trade. Well, now, in frozen mutton we can send it to Canada as far as the Pacific slope is concerned. We can send our meats for three or four or five hundred miles along the railway and do business in frozen mutton. In Vancouver the best mutton we saw was frozen mutton from Sydney.

The PRESIDENT.—I dined on some Australian mutton in Vancouver, and was informed that 25 cents a pound was paid for it.

Hon. Mr. FRASER.—That is a severe reflection upon the Canadians. You can buy first-class mutton for 2 cents a pound at Victoria. Our mutton is retailed in Melbourne shops at 2 cents a pound if a woman chooses to go and take it from the shops. If she expects to have it handed in at the door by a trade butcher in his white apron, of course she has got to pay for that. She has got to pay for the style.

Sir HENRY DE VILLIERS.—How much?

Hon. Mr. FRASER.—3½d. or 4d., perhaps. If it is a wealthy locality the price goes up, and if it is a poorer locality the price is considerably lower. You find that everywhere all over the world. The swells have to pay the full prices and the working classes of course pay very much less. The price is much cheaper in Queensland than in our colonies. In New South Wales we have had to boil down millions of sheep, so you can understand at once how anxious we are to get rid of this meat. Supposing we send you the legs, we boil down the fore quarters into tallow, and the leg is solid. It is beautiful, juicy, fresh meat, which can be shipped in loads of fifty tons and turned into lot of money.

Hon. Mr. FOSTER.—Take the large freezing establishments; what is the calculated cost of freezing?

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Hon. Mr. FRASER.—Three-tenths of a penny is the cost of freezing, and there is a profit in that.

Hon. Mr. FORREST.—That is for the absolute freezing—that is not for the whole treatment.

Hon. Mr. FOSTER.—I mean the whole treatment.

Hon. Mr. FORREST.—That will depend to a certain extent on where the frozen meat is sold. The climate affects the cost. It takes about $2\frac{1}{8}$ per pound from the time you receive the cattle in the yards until the meat is sold in London.

The PRESIDENT.—Does that include the cotton which covers it?

Hon. Mr. FORREST.—That includes everything.

Hon. Mr. FRASER.—I was referring to the freezing charges. The figure I gave was about it. Of course there are other charges. It costs, to take the cattle from the yard to London in the frozen condition, 2d.

Hon. Mr. FORREST.—It costs a little less than that in Queensland; that is exclusive of London charges, but including freight.

Hon. Mr. FRASER.—We can handle that trade on the Pacific slope, I have no doubt about that. Tinned meat and things of that kind would run into a good deal of money, and I have no doubt a considerable trade will arise therein.

Hon. Mr. FORREST.—Addressing myself more particularly to the Canadian delegates, it goes without saying that we in Queensland are anxious to extend our trade with you. But I do not propose to waste either your time or mine by explaining to you that you have got certain goods to export. You are well aware of that. Nor do I intend to stand before you in the position of what your neighbours call "a drummer." If we can send anything to you and you to us, you will discover it and you will deal with us. I do not see the slightest good to be gained by a discussion of this sort. We have certain things which we produce and export, and we import a good many things which you export, and if we show when we come into close quarters, that the things we produce can be laid down on favourable conditions, we presume you will take them. I shall briefly state the raw material which makes up the great bulk of our exports. In this connection a good many of the remarks which fell from Mr. Suttor would apply to the whole of the Australian Colonies, and I do not intend to repeat what he has said. Queensland's principal exports are wool, tallow, hides and skins, meats, frozen and tinned, copper, tin, silver and other minerals. I have left out gold because that goes without saying. We export sugar and beche-de-mer, and we hope soon to be exporters of butter and tobacco. I am well aware that there are some of these things which you produce for yourselves. The whole matter is contained in a most excellent report of Mr. Bowell in his mission to Australia, and you can find in that report all the information far better than I can explain it to you. I have told you what our chief exports are. It is now for you to say what you would like to send us. This will bring us to the point and we will then be able to determine whether we can do business.

Lord JERSEY.—Very well said!

Sir HENRY DE VILLIERS.—So far as the Cape is concerned, the list will be short, but I think the quantity would be considerable. What we have to offer is wool, which I think is admitted duty free. We can also offer diamonds. I do not know whether you require them in large quantities. We can offer you wine in any quantity you

require, and we can supply you with fruit at a time when you cannot produce any for yourselves, or obtain any on the continent. I think we have advantages over Australia, and that we can send you fruit at a cheaper rate, to the Eastern side of Canada, because they have the long land journey by the Canadian Pacific, which would swallow up a good deal of their profit. By the Atlantic, we could send you fruit in any quantities. Agents of New York have been at the Cape recently. I met some of them, and they told me that they believed a very large trade could be carried on between the Cape and the United States. These agents have gone so far as to tell me that they intend putting on steamers during the season when California and Florida produce no fruit. He says there are forty days in the year when neither California nor Florida can produce any fruit, and he informed me that New York is a very large consumer indeed of fruit, not only a consumer, but a distributor of fruit all over the American continent. There is no reason why fruit should be distributed through Canada from New York. There is no reason why there should not be a direct service between the two countries for that purpose. On the other hand, what we receive from you, I think, chiefly, is lumber. Mr. Rhodes, who is greatly concerned in mining industries throughout South Africa, informed me shortly before I left, that with the mining industries of South Africa, very large quantities of lumber will, in the future, be required. We do not produce it in sufficient quantities for ourselves, and he believes an arrangement might be made with Canada by which Canadian lumber could be imported into the Cape, duty free, if corresponding advantages were granted to us.

Hon. Mr. FOSTER.—Have you a duty on that now?

Sir HENRY DE VILLIERS.—I think there is a duty at present. Then, as to agricultural implements, there is no duty whatever. Hitherto, we have received a considerable proportion of our agricultural implements from the United States, where they are made very cheaply. These implements are considered very useful in South Africa. Since I have been here, I have ascertained that agricultural implements are made here quite as cheaply and quite as well as in the United States. Paper has also been mentioned. At present, I think we obtain our paper chiefly from England, but if paper can be obtained so much more cheaply, and of equally good quality in Canada than in Great Britain, there is no reason why a trade in paper should not be established. These, I think, are the only articles which we, on our side, would receive from Canada in large quantities. Of course there might be minor articles, but I have thought it sufficient to mention those articles which are of that importance to be of value for trade purposes.

The PRESIDENT.—You are not a manufacturing country in the way of woollens?

Sir HENRY DE VILLIERS.—No. Wool is at present received here duty free.

The PRESIDENT.—But you do not manufacture wool.

Sir HENRY DE VILLIERS.—No, except very roughly; no finer articles.

Hon. Mr. THYNNE.—It will not be out of place if I refer to what we have imported to Queensland, from this continent, during the last two or three years. Our imports from Canada were nothing in 1891. In 1892 they amounted to £842, and in 1893 they amounted to £1,340. That is the total of our imports from Canada.

Hon. Mr. FOSTER.—It is a large percentage of gain.

Hon. Mr. THYNNE.—Yes, but it shows that it is quite insignificant. It might be of interest to you in Canada to know the class of goods we have imported actually from the United States during the last three years. I will be glad to give details, if

you desire, but in the meantime, I will just say that they include the following :—Agricultural implements, fire-arms, carriages and carriage materials, drugs and druggists' wares, preserves and articles such as salmon and dried fish, bottled and tinned fruits, dried fruits and raisins, furniture, hardware, and ironmongery, iron and steel wire, and machinery. Then, here is the largest article of all, kerosene. I would like to know whether there is any prospect of such an export from Canada of kerosene that would lead to a trade? We use it for lighting purposes.

The PRESIDENT.—Not at present. If the kerosene or coal oil is as extensive as we have reason to believe it is in the North-west Territory, just under the Rocky Mountains, then there is no doubt we will be able to compete with the Americans, but at present we cannot.

Hon. Mr. THYNNE.—The value of the imports of kerosene at Queensland alone in 1891 was £34,582, in 1892 it was £19,000, and in 1893 it was £22,356.

Hon. Mr. FOSTER.—There is no trade for us in that.

Hon. Mr. THYNNE.—Then there are certain kinds of paper; and spirituous compounds of various qualities.

Hon. Mr. FOSTER.—Is the carriage item a large one?

Hon. Mr. THYNNE.—Carriages, and carriage materials in 1892 amounted only to about £3,500. That is the import direct to Queensland.

The PRESIDENT.—You imported carriage materials to the amount of about £53,000.

Hon. Mr. THYNNE.—Not Queensland.

The PRESIDENT.—I refer to Australia.

Hon. Mr. THYNNE.—I have a detailed statement made by our customs officer.

The PRESIDENT.—Do you know what the duty is upon carriage material in Queensland?

Hon. Mr. THYNNE.—£10 I think upon every completed vehicle. Then, there is an item of wooden-ware. Those are the principal items which we have imported. I should be glad to place this list at the disposal of the Minister.

Hon. Mr. FOSTER.—I have been very much pleased with this informal discussion. It has taken the line, chiefly, of pointing out how trade may be developed between the colonies of Australasia and Canada in raw materials which are now free, but the advantages and capabilities of which are not fairly well-known to us, reciprocally; and by opening up and widening the knowledge of the capabilities and existence of these articles, I have no doubt that an impetus will be given to the trade between the two countries in these respects. There are a number of things which have been mentioned, with regard to which I do not see why a good trade should not be done. I do not think you will be able to send very much of your butter here, except along the Pacific slope, where it will compete, to a certain extent, with butter from the eastern provinces, and perhaps a little from the United States. You ought to be able to do a very good trade under the present tariff, which we reduced very much last session, in frozen mutton, along the Pacific slope, because, hitherto, we have been entirely unable to supply them with the meat that they require, especially mutton, and they have imported it from the United States. I see no reason why you should not cut off a good deal of that trade which now comes from the United States.

Hon. Mr. FORREST.—What population is there?

Hon. Mr. FOSTER.—About 100,000, which is rapidly increasing, and there is this to be said with reference to British Columbia: one of its largest capabilities in the future is mining, and as you well know, a mining camp, of a few thousand people, is an immense consumer, and that population would be continually increasing and will draw upon all such stores. With reference to fruits, I think, under the present condition, you ought to be able to do some trade with us, owing to the dissimilarity of seasons. In the short space of 10 or 12 years I can see an immense difference in the habits of our people with reference to the consumption of fruits. Probably that is noticeable everywhere, but fruit is being consumed, I mean imported fruit, where ten years ago it was scarcely seen; and the dissimilarity of seasons will give you at least a good chance to compete in the western part of our country. With reference to fish, the British Columbia coast can send you any quantity of fresh salmon, and, certainly, you ought to get it from that coast in the best possible condition, better than you can get from any other part of the world. And with regard to all kinds of canned fish, I do not see why that is not one of the lines upon which we could make a reciprocal arrangement, because, as I understand it, your waters do not provide you with the fish you require. This would provide food for your people, and upon which any duty makes the cost greater; consequently, two things would be obtained, viz., you would give your people cheaper food, and you would add to the trade. If we can find something, as I have no doubt we could, upon which we could give you reciprocal treatment, there is a line of goods upon which I think something might be done, outside of raw material. In the matter of sugar I don't know what it will be possible to do. Raw sugar, up to number 16, is free in our country. Your competitors would be the East Indies along the Pacific coast, and Honolulu, but the great bulk of the Honolulu sugar goes into the United States under their present tariff, so that your chief competitor, in the raw sugar, I should suppose, would be the East Indies. If you have direct steamship communication, it is quite possible you might send raw sugar in for the refineries of the British Columbia coast, to supply that portion of the country.

Hon. Mr. THYNNE.—Six thousand tons a year at Vancouver of raw sugar for the refinery supplies the whole of the western part of Canada. They get that sugar in different places; but I understand it is essential to them, in the present mode of conducting business, that they should be able to communicate, by cable, with the countries they get their sugar from.

Hon. Mr. FOSTER.—Without doubt.

Hon. Mr. PLAYFORD.—They can do that now.

Hon. Mr. THYNNE.—At great expense. Then, there is the distance. If there were a slight differential arrangement, it might be quite enough to divert the whole trade.

Hon. Mr. FOSTER.—Then, there is the trade in paper, and agricultural implements. Paper, as I understand it, goes free into your colonies, and agricultural implements in some of the colonies. There are two things in which Canada ought to be given a first-rate position in your colonies, without adding to the cost of your implements at all, because Canada can make implements, and can make paper just as cheaply as any country in the world. There is an opportunity for a little differential tariff, giving to Canada a little advantage in your markets, in return for which we could pick out some of your articles and give you a preference in our markets. That, I think, opens up quite a field. And, certainly, quite a field is opened up in timber as well. There is, in your country, just simply the interest of the finisher, so to speak. Well, that is an interest which pits itself against the consumers of the nation and which builds up

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only a partial industry. It is not a complete manufacturing industry, so that with reference to that the claim of the whole mass of consumers is pretty strong towards making the protection on that as low as possible. If, in looking over that subject, you can also give us, in respect of that, a slight differential, you would be doing three things, in fact, you would not be destroying that industry, whatever it was, you would be helping the consuming classes, giving them a cheaper lumber, and putting us in a preferential position, for which we would be quite willing to give you something in return. I do not know whether you make many paints or not, or whether you consume paints largely.

Mr. LEE SMITH.—We do.

Hon. Mr. FOSTER.—Our paint business is rapidly increasing, and already our paint men are looking towards Australia in that respect. I suppose you have a duty on paints. That is another point in which a trade might be done. Also in drugs as well. In cottons, I had not particularly looked over your tariff, and I was a little surprised to know that cotton fabrics were free. Take for instance a large mill which is situated near Quebec; it runs entirely upon cotton for China and the East, and sends its cotton there, and competes with Great Britain and the United States. That shows you what can be done as far as producing cotton cheaply when the mill has a sufficient call to run entirely upon one single class.

Mr. LEE SMITH.—That is the secret in all manufacturing business.

The PRESIDENT.—Cotton is not free in all the colonies.

Hon. Mr. FOSTER.—But evidently, they have only a little revenue duty, it is not for the purpose of building up an industry; and there is another chance in which a very slight differential would call upon our cotton producers to supply the markets and make them no dearer. With regard to binding twine, I am afraid we cannot offer much to New Zealand under present conditions. We have reduced that duty to 12½ per cent on invoice prices. It is really a very small duty. If you have much of an advantage in raising the raw material and working it up, you ought to have a fair chance for our western prairie market. Then, with reference to wool, I do not want to go farther than the Government would be willing to carry me out, but I do not think there would be much difficulty in giving New Zealand a chance, if there is anything she can give us a compensating chance for in her market. You must take things now as being in *statu quo*. We are commencing to make a bargain, and this wool business, I think, could be arranged so that you could get a differential on that, and I do not know how far it might go; it might go clear to the line of freeing it, in return for a corresponding advantage that you might give us upon something we send to you.

Mr. LEE SMITH.—The other colonies have free entry for wool, although they tax agricultural implements.

Hon. Mr. FOSTER.—That is a little advantage we have over you, in making the bargain, which we have not over them. I do not know of anything else that I can mention. Of course we can give you all the timber you can take and of the very best quality. There is one thing I hope to see at once arranged in Victoria, and that is the discrimination against the British Columbia timber as compared with Oregon lumber, which is, of course, unfair, but it may be a *quid pro quo* would be required, and, if so, we would take that into consideration as well, but with reference to timber, we lie right along the Pacific coast, and British Columbia is the greatest timber producing country

of the world, timber of the very best quality, and I do not see why there should not be a very large trade between the two countries. In a great mining country like the Cape it seems to me, as Sir Henry de Villiers has said, that we might pick up a pretty good trade in timber with our Cape Colony sisters. I have been very much pleased at the turn of this informal discussion, very much pleased indeed, and we have settled, so far as we can, the laying down of general principles upon which we may proceed, and our desires are at one in this respect. I do not think there is a discordant note. I see no reason why during the next year or so, when our powers are all well defined for us, and given to us, as we hope they will be, and we come to compare notes, we should not add a very great deal to the trade between these two great sections of the Empire.

Hon. Mr. SUTTOR.—Before this informal meeting comes to an end I should be glad if you would furnish us with any reports you have upon the different articles and materials brought from Australia by you for the purpose of having them reported upon here. You said the other day you had reports in regard to tobacco and wine. I understand these reports are not favourable, still I think they would be valuable to us.

The PRESIDENT.—The test was with reference to the Victoria wine. I have never taken it out of the cases, except a sample for the official analyst, and he has made his report. I did not take it out of the cellar for the reason that the gentleman, who sent it to me, told me I had better let it remain in the cellar for six months. I do not look upon this report as being unfavourable, other than so far as it affects what might be considered the natural juice of the grape.

Hon. Mr. FITZGERALD.—And the purity of the wine.

The PRESIDENT.—You will see he comes to the conclusion that they are all fortified, which may be the result of allowing the spirit to remain in the wine after fermentation, or it may have been by adding the spirit afterwards in order to keep it. He does not know which. He tested two of the samples and pronounced them nearly pure. I shall be glad to furnish any of you with copies of this report. The report upon the tobacco was as unfavourable as it possibly could be. The tobacco obtained was placed on board at Sydney. I had it tested in Vancouver by a tobacco manufacturer, I had it tested by Mr. Turcotte, one of the largest tobacco manufacturers we have in Canada, and by Mr. Davis, a cigar manufacturer in Montreal, and also by Mr. Macdonald of that city, and they also pronounced it unfit for use in this country. I have very little to add to what has been already said by my colleague, with reference to this trade question. Trade is developing, and that, too, rapidly, even more rapidly than could have possibly been anticipated. If we bear in mind that we have had no connection whatever with the Australian colonies until last year, except by occasional sailing vessels, which used to take lumber and timber to Australia, we can easily see that we could not, by any possibility, have any extensive trade with that country. Articles that you have produced and exported have been purchased by us, no doubt, very largely, but they have been purchased, as indicated a few minutes ago by Mr. Fitzgerald and Sir Henry Wrixon, either in London or in the United States. The same remarks will apply to the Cape. We have sent some lumber to the Cape. I am very sanguine that if we had a direct line between Canada and the Cape we could build up a large trade. When you look at the map, from Halifax to the Cape, you will find it a less distance than from Vancouver to Sydney. We have established a direct line between Sydney and Vancouver, and I hope the day is not far distant when by some re-arrange-

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ment, I scarcely dare suggest anything like an increase of expenditure while my friend is on my right, who is anticipating a deficit, but I think the subsidies which we are now paying to certain lines of steamers, and which are giving no adequate return for the expenditure, can, by a re-arrangement, with the expenditure of a few dollar more, enable us to assist in establishing a direct line from the Cape of Good Hope to Halifax and St. John.

Hon. Mr. FOSTER.—Riprocity.

THE PRESIDENT.—Yes. I would like Sir Henry de Villiers, and his colleagues, to consider whether their colony would not be prepared to assist Canada in establishing a direct line, whether by steamers or any other class of conveyance, I am not at the present moment prepared to say; but if you look at the different islands, which, by a little diversion of the route, they could touch, and to reach which we now subsidize certain lines running from the Maritime Provinces, I believe we could have a monthly line of steamers, or a conveyance of some kind, that would prove profitable, and that would build up a trade that does not now exist. As Sir Henry de Villiers said a few moments ago, they are not a manufacturing country. It is a question for us both to consider whether or not we could not furnish them with certain goods that we manufacture here, sending them as direct from Halifax as they can from England. If we can, they will buy from us. We have now established a line from our western shores to Australia, and I hope ere long, with the aid of the Cape of Good Hope, to see a direct line from the Eastern shores of Canada to that colony. We have to begin. It is all very well to say, and I say it with all due respect for those who hold different opinions, that because we have had no trade in the past, therefore it is folly to try and build up a trade now. Why, over 40 years ago, Upper and Lower Canada, before we were confederated, gave £100,000, Halifax currency (\$4 to the pound) to aid in the establishment of a direct line of mail communication between Canada and England, that is, the Allan line. Many of these steamers have gone into disuse, almost, except for freight, and the result has been that all our mails are now going via New York. The other day I received a letter from an adopted daughter in London, and on the corner of the envelope was written, "via New York." We are sufficiently proud of our country, and we have strong enough national feeling to believe that communications, even of that kind, should go through our own territory, and not through a foreign one. You will excuse me, if I say, perhaps this is the last opportunity I may have of addressing to you, that I have been very forcibly impressed with, shall I say, a want of unanimity on the part of our Australian friends? I am only repeating now what I said a dozen times when in your colonies. I find that in New South Wales when anything was proposed which might, for the moment, militate against their interests, they would say, "Oh, our colony is not interested in that." I found Queensland and Victoria just the same. Each one having its own individual interests to look after.

Hon. Mr. FRASER.—Victoria has gone in.

THE PRESIDENT.—The New Zealand delegate has taken a wider, and more comprehensive, or imperial and national view, which has pleased me, although I have not the slightest sympathy with his free trade notions. Suppose that we, in Canada, allowed similar feelings to interfere when it is proposed to give a subsidy for the development of trade from any particular part of Canada; we should never develop our trade. Why, when we proposed to give £25,000 sterling for the establishment of direct communication between British Columbia and the Australasian colonies, we did not have

our friends from Pictou, and our friends from Halifax and St. John saying, "Of what good is that to us, that is 3,000 miles to the west of us?" That would be the question, if we were separated, as you are. The same remark would be made with reference to Ontario. Ontario is the great taxpaying portion of this community, speaking as a province, as compared with the rest. The same with Quebec. But the people of Canada, since Confederation, have come to this conclusion, that whatever tends to the development of our country as a Dominion, whether it affects them directly and individually or not, they are prepared to give their mite to assist. Hence, we do not find British Columbia raising any objection to our subsidizing a line to tap the trade and the business of the West India colonies, or any of that section of the country. Halifax, St. John, New Brunswick, Quebec, and Ontario, never said a single word, but when the Finance Minister proposed that £25,000 should be given for the establishment of the Australian line, Quebec said Amen; and that is just what you ought to do. We, in Ontario, we in Quebec, and even as far as the Maritime Provinces, expect to benefit by that, and in this way: We sent no less than 8,000 machines, and parts of machines from Ontario last year into the Australian colonies, New Zealand and Tasmania. Three or four years ago we sent about 8 machines. That shows how a trade can be developed. The Canadian Pacific Railway have acted very generously. They have treated the Massey-Harris Company, who have exported largely, well. They have said, "we will do the very best we can for you"; and the very steamer in which I sailed across the ocean waited some twelve hours for 8 car-loads of machinery, in order to get it into your country before the harvest began. Had that line not been established Mr. Massey would have had to place them on board a vessel, either in New York, Boston, or Portland, and he would have had to send them six months ahead, or not have got them into your market. I give you that as one illustration. Then, as my friend Mr. Foster has said, there is the paint industry. The paint manufacturers of Montreal told me, a short time ago, that they were then preparing to export largely to your country in the way of paint. That is just the beginning. I am very sanguine myself, some people say it is my hobby, however, it is well for every person to have a hobby, and if they stick to it they are apt to succeed, if they live long enough, and I am quite positive that the time is not far distant when my hopes will be realized. We must not expect trade to grow in a moment, but give it 8 or 10 years of a trial, and, with liberal aid to begin with, the result will be precisely as it has been. The Hon. Mr. Thynne has illustrated with reference to the subsidizing of mail routes. Hon. Mr. Thynne has shown by statistics and figures that they commenced with a subsidy of £60,000, and by the development of the trade which follows the mails, last year it was reduced to £19,000. Our friend from New Zealand gave us a somewhat similar illustration. So it is with trade. My desire as a British subject is to see the colonies trade among themselves, and with the mother country if she will let us, and if she will not allow us to give her any advantages over other countries, all I can say is, as an Englishman born, I pity her. But if she is determined not to do that, and thinks it is to her interest not to do it, all we have to say is, let her release us from the bondage under which we labour, and let us trade among ourselves. We are large enough, we are old enough, we are rich enough, and we are industrious enough to provide each other with that which we require, not only for sustenance but for living in every way. I do not hesitate to say, if I wanted to buy anything I would rather buy it from my friend than from my enemy. With reference to fruit I will say one word. As an illustration of what may be done, and it applies as much to the people of the Cape as it does to Australia, let me tell you this:

I procured some oranges at Sydney which had been brought some thirty or forty miles. They laid in my room for about a week ; I had them packed up and sent to my son in Vancouver. He told me that the parties on board the steamer forgot to give them to him immediately on arrival, but they were given to him before the steamer sailed, yet there were only one or two spoiled out of the whole box ; and, mind you, they had been trundled in a wagon for 30 or 40 miles before they reached me in Sydney ; they had been tossed down in a bag in my room, and remained there about a week before being shipped. Yet our friends in Canada pronounced them delicious. When at Fiji we had a large quantity of fruit put on board. It was in December when we reached the mountains with the thermometer 20 to 30 below zero. I brought two cases of pineapples from Fiji. I distributed them in Winnipeg, in Toronto, in Belleville where I live, in Montreal, and I sent some of them to the Governor and to the Ministers. They were universally pronounced by every one who tasted them as the most delicious they had ever eaten. I wanted to prove that by a little care, and by a little attention even these delicate fruits can be brought from the antipodes, and circulated in this part of the world, even when the thermometer is 20 or 30 degrees below zero ; and when you reflect that they are of a better quality than you can get from the West Indies or Florida, you can easily understand the price they would bring at that season of the year. The same applies to bananas. We are singularly situated in this country. New South Wales has its orange groves, and they are as fine as any I ever saw in Southern California, with a better quality of fruit, and there is no reason why they should not, particularly if we had a little differential duty, take the place of the Southern California oranges, and supply the whole of our North-west territories, which, ere long, will be inhabited by millions of people. You have there to compete with the Florida and California fruits. A slight differential duty of say 10 per cent would turn the whole trade into your country. The same, to a great extent may be said of Cape fruit when sent to the Maritime Provinces, because there it would have to compete, to a certain extent, with Jamaica and the West Indies, and other fruit growing countries. But in sending fruit to Canada, you have to do what one gentleman said a few moments ago, your fruit-grower must not fancy that we in Canada do not know what good fruit is, and when they send the rubbish, as our friend says, was done from Tasmania, you must not expect to get anything for it. As to apples, I do not suppose there is a country that can produce better apples than we do. There are scores of things in which we could trade profitably with each other, if we establish a means of communication by which we can reach each other cheaply and rapidly.

VOTES OF THANKS.

Hon. Mr. FOSTER.—Lord Jersey has been sent here by the Home Government to be present at our deliberations, and, I am sure, to the great pleasure and great profit of the members composing the conference. In very few words I would like to say how deeply we have felt the kindly and gracious way in which he has mingled with us and taken part in our discussions, and we recognize the great assistance he has given us. I wish to move that this conference tender a vote of thanks to Lord Jersey for his kindness in attending here with us.

Hon. Mr. SUTTON.—Mr. President :—My fellow delegates will not think it presumptuous on my part in rising to second this resolution. We have already said how delighted we from Australia were to know that England was to be represented by the Earl of Jersey. It would have been impossible for the Imperial Government to

have nominated any one whose appointment would have met with more general approval in the Australian Colonies than did that of the Earl of Jersey. I have very much pleasure in seconding your resolution, and I am sure every one of us wishes that Lord Jersey may be long spared to serve his country, in the future as he has so faithfully done in the past.

The PRESIDENT.—Lord Jersey has endeared himself to the whole of us. I was assured when I was in Australia that he had won the hearts of the people there. When I mentioned to His Excellency the Governor General, that Lord Jersey would represent the Imperial Government, he said to me, "You will find him a gentleman with whom you can not only negotiate, but with whom you can interchange your opinions freely; he has a practical knowledge of the wants of the colonies," and, in a word, he looked upon the selection as one of the best that could be made. I am only too pleased to say that that prediction has been fully verified.

Motion carried unanimously.

Lord JERSEY.—Mr. President and gentlemen:—The very kind allusion, which has been tendered in such flattering terms, makes me most grateful to every one of you. It is impossible for me to express the pleasure it has given me to be present at this Conference. This is not the time for me to review our work, but you may feel assured that when the time comes it will not be reviewed in a less friendly manner because of the way in which I have been received. We have all worked heartily together. Every delegate has expressed his views. Though I have not been privileged to express any definite views of my own, to that extent I had my hands somewhat tied, yet I believe good will result from our deliberations. I can assure you that to me, personally, it is very gratifying to find, although I have left Australia, that my friends have not deserted me, and I can only say, both to my Canadian friends and my Australian friends, that I shall never desert them. There is a certain amount of sadness when resolutions of this nature are being passed. We are all sorry, in one sense, to finish what has been a very pleasant, and I trust, a very useful occupation. I feel, gentlemen, that our work would not have been carried on so pleasantly, if it had not been for the genial courtesy with which our president, the Hon. Mackenzie Bowell, has treated us. If the hand of the clock had not been advancing so rapidly, I should like to have dwelt at greater length upon the manner in which you, sir, have presided over our meetings. I can assure you, that I express the opinion of every representative at this table, when I say that we are deeply grateful for the manner in which you have performed your task. This Ottawa conference will undoubtedly stand forth, not only in the history of Canada, and the history of Australia, but it will stand forth in the history of the Empire, as the first great step drawing together in friendly feeling, every portion of that Empire. And, Mr. Mackenzie Bowell, it will be your pride to think that you have presided over such a conference. If our work results as we hope it will, you may well feel that you have not worked for the public in vain, but that you have worked for Canada, and for the Empire; and, there is no prouder boast, which any public man can have, than to say he has been instrumental, to a great extent, by his own individual energy and efforts, in carrying out an object which so many millions have at heart. Therefore, I will ask the gentlemen present to accord to you a most hearty vote of thanks. And, before I put that vote, I may be allowed to express, what I believe is also the feeling of each one here, the pleasure we have had in having the assistance of the Hon. Mr. Foster. The Hon. Mr. Foster has, in the clearest and

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most definite manner laid down his views, and the facts he has brought before us have assisted this conference in the most material manner. We who will shortly be going across great oceans, will carry with us the firm conviction that Canada possesses statesmen of the highest character and ability, and we trust the example which they are setting, at the present day, will be continued for generations to follow. With these few inadequate words, I will propose that we give our most hearty thanks to the Hon. Mr. Mackenzie Bowell, for the able mannner in which he has presided at our conference.

Sir HENRY DE VILLIERS.—Any words of mine would but lessen the effect of the eloquent language which we have heard. I shall therefore content myself with simply seconding the resolution.

Sir HENRY WRIXON.—I should not have risen, were it not that I want to advert to one point which, I think, if possible, has enhanced the respect which we Australians feel for our honoured president. We all recognize his impartiality, and the marked ability with which he has presided over us. In his parting address he directed to us, Australians, some few words of wisdom, when he adverted to the disunion, which, as he observed, more or less marked the communities that exist in the Continent of Australasia. His frankness in doing so does not diminish, in the least, the respect which we feel for his character; it rather impresses us more with a feeling of his honesty and truthfulness, for it is not to be denied that we in Australia do labour under that disadvantage, and if a tinge of sadness could at all mingle with our thoughts, it is to notice your great union over the whole of this vast Dominion of Canada, which union we in Australia have not yet attained; however, it must be remembered that we are working towards it, and in time, no doubt, we will accomplish it. If anything can assist us in accomplishing it, it is the example which we see here, and that example is not a little identified with the long and historical career of the chairman himself. Therefore, as statesman and chairman of our conference, I think we all heartily join in the tribute which is proposed to him.

Lord JERSEY.—It is carried unanimously.

THE PRESIDENT.—I need scarcely say that I feel extremely gratified by the manner in which you have adverted to my humble efforts to bring about a meeting of our brother colonists from the different parts of the British Empire. If I had done no other act in my life than this, I would be amply rewarded by the success which has so far attended our efforts. I have been but a humble instrument in bringing together the members of this conference. I have been aided and assisted by my colleagues, by the Premier, and others, and by none more than by my friend the Finance Minister, who takes a deep interest in all trade matters. If the result of this conference is that which I fondly anticipate it may be, I shall be amply repaid for anything I have done, in bringing together representatives from different portions of the Empire, the success and glory of which I have so much at heart. I can assure my friend, Sir Henry Wrixon, that the remarks I made were not intended to cast any censure upon those who may have differed upon questions which came before this conference; my remarks were more for the purpose of pointing out the absolute necessity of a great continent like Australasia joining together and speaking, when they go to a future conference, as Mr. Foster and myself speak when we are here, for the whole Dominion from the Atlantic to the Pacific. I came to this conclusion from my hurried visit, and a somewhat busy one, to your colony, that you have nothing to prevent a union between all the colonies and the mainland, that you have none of those difficulties to surmount

and overcome which presented themselves to the Canadian statesmen when they undertook the great task of uniting the distant and separate Provinces of Canada. You will bear in mind that the Maritime Provinces were separated by an ice band for six months in the year, which practically prevented the possibility of reaching the central portion of Canada, except through the United States. You then had between Canada and the Great North-west Territories, which were not then in the Dominion, another almost impenetrable barrier of rocks, wood and ice. Then, you had the Rocky Mountains to overcome before reaching the Pacific coast. In addition to that, we had that which is equally difficult to overcome, race difficulties and religious difficulties. The great men of the day, Sir John Macdonald, Sir George E. Cartier, the late Hon. George Brown, and the Hon. Alex. Mackenzie, the two latter being the leaders of the Liberal party, undertook to forget their differences, from provincial stand-points, laid down the hatchet, met as brethren, and came to the conclusion to make one grand Dominion. You have an evidence here to-day that they succeeded. My remarks were intended more, if I may say so, as a father to his son, as advice, or perhaps it would be more correct to say, advice from one brother to another. I make this little explanation, because I think my friends in Australia gave me credit for talking very plainly when in their country. The last shot I got from one of the Sydney papers was that it was somewhat strange a gentleman should have come 10,000 miles to teach them what they should do, but it added this proviso, "what he stated was correct." I was quite gratified to know, that though it might be considered a piece of presumption for a stranger to suggest, much less dictate, that the leading paper of New South Wales added the addenda, that the advice I gave them was quite correct, and that they ought to follow it. I thank you again, and in closing this conference I can only hope and wish you may all return in safety to your homes and to your families, none the worse for your visit to Canada; that the blessings of the Almighty may follow you in after-life, and that great benefits will come from your visit to these, which have been sometimes called the frozen regions of Her Majesty's Empire.

Hon. Mr. THYNNE, seconded by Mr. Lee Smith, moved that a vote of thanks be tendered to Douglas Stewart and J. Lambert Payne, the secretaries of the conference, for the efficient service they had rendered during the proceedings.

The president put the motion to conference, and it was carried unanimously.

The conference closed at 6.15 p. m.

APPENDIX "A"

CANADA.

(Order in Council suggesting the Conference.)

On a report dated 5th of February, 1894, from the Minister of Trade and Commerce, submitting the following recommendation relating to trade and cable communication between Canada and Australia.

1. In order to cultivate and increase trade relations between Canada and Australia, an Act was passed (Act 52 Vic., chap. 2, 1889) intituled "An Act relating to Ocean Steamship Subsidies," authorizing the granting of a subsidy of, not exceeding, the sum of £25,000 sterling per annum, to assist in establishing an effective fortnightly steamship service between British Columbia and the Australian Colonies and New Zealand.

2. Chapter 2, 52 Victoria, was amended by Act 56 Victoria, chapter 5 (1893), so far as to authorize the granting of a subsidy of, not exceeding, the sum of £25,000 sterling per annum to assist in establishing an effective monthly or more frequent steamship service between British Columbia and the Australian Colonies and New Zealand.

3. Under this authority a contract was entered into between the Minister of Trade and Commerce on behalf of Her Majesty, and James Huddart, of the city of London, in England, bearing date the 1st day of May, 1893, providing for a monthly or more frequent service between Vancouver, B.C., and Sydney, N.S.W., under the terms of which steamships of the capacity agreed upon were placed on the route, the first one sailing from Sydney the 18th May, 1893.

4. On the 7th September, 1893, an Order in Council was passed authorizing the Minister of Trade and Commerce to proceed to Australia and confer with the several governments, with a view to promote an extension of trade between Australasia and Canada, and also to confer with the said governments on the subject of a telegraphic cable to connect Canada with Australia and New Zealand.

5. The Minister of Trade and Commerce on the 7th September, 1893, proceeded to Australia, and had conference and communication with the governments of the several colonies on the subjects referred to in the said Order in Council of the 7th September, 1893, at which it was suggested, and a decision was arrived at between the Minister of Trade and Commerce and the Premiers of New South Wales, Queensland, Victoria, and South Australia, that it was important that a conference should be held at as early a date as would be most convenient, in the city of Ottawa, Canada, for the purpose of discussing the arrangements which might be considered the most desirable for the purpose of carrying out the objects in view.

The Minister recommends that the governments of New South Wales, Queensland, Victoria, South Australia, Tasmania, New Zealand and Fiji be respectfully requested to appoint and send one or more delegates to meet at Ottawa, on Thursday, the 21st day of June, 1894, for the purpose of considering the trade relations existing between Canada and their respective countries, and the best means of extending the same, and of securing the construction of a direct telegraphic cable between those colonies and the Dominion of Canada.

The Minister further recommends that the Government of the Cape of Good Hope be invited to take part in the deliberations of the conference herein referred to.

7. The Minister also recommends that the British Government be requested to take part in their conference, by sending a delegate, or by such other means as may be considered advisable, inasmuch as the object in view is of an imperial as well as of a colonial character.

The Committee, concurring in the above recommendation, advise that your Excellency be moved to transmit a certified copy of this minute to Her Majesty's Principal Secretary of State for the Colonies.

The Committee further advise that your Excellency be also moved to transmit certified copies to the governors of the various colonies herein referred to, and to the Governor of the Cape of Good Hope.

All of which is respectfully submitted for your Excellency's approval.

(Sgd.)

JOHN J. MCGEE,

Clerk of the Privy Council.

GREAT BRITAIN.

(The Marquess of Ripon to the Earl of Aberdeen.)

DOWNING STREET, 6th June, 1894.

MY LORD,—I have the honour to acknowledge the receipt of your despatch No. 32, of the 8th of February last, inclosing copy of one which you had addressed to each of the governors of the Australian colonies and to the Governor of the Cape of Good Hope, inviting the appointment of delegates to represent the several colonies at a conference to be held at Ottawa, on the 21st June next, for the purpose of discussing the question of trade relations and telegraphic communication between Canada and the Australasian colonies.

Her Majesty's Government look forward with much interest to the meeting of the proposed conference and, as a practical indication of their sympathy with the colonies interested and in response to the invitation of the Canadian Privy Council, I have had the pleasure to acquaint you by telegraph on the 28th ult. that the Imperial Government will be represented by the Earl of Jersey, G.C.M.G.

Lord Jersey's duties will be to hear and report what passes, and to give information to the conference on matters of fact; but it will not be in his power to bind Her Majesty's Government, or to express views on their behalf, as they must reserve any expression of opinion on the subjects discussed at the conference until they have before them the report of the proceedings and the resolutions which may be arrived at. Lord Jersey has asked that the services of Mr. W. H. Mercer of my department, who is specially conversant with the correspondence bearing on such questions as those which will be discussed at the conference, may be placed at his disposal; and I beg to recommend Mr. Mercer to your good offices and acquaintance.

I have, &c.,

(Sd.) RIPPON.

The Earl of Aberdeen,
&c., &c., &c.

CANADA.

(CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 16th June, 1894.)

On a report dated 13th June, 1894, from the Right Honourable Sir John Thompson, the Prime Minister, calling attention to the fact that delegates from the Australasian and several other colonies of the Empire are about to assemble at Ottawa, to consult on various questions concerning the commercial relations of the colonies and the means to be adopted for increasing their trade, and for establishing telegraphic and steam communication between them, and on other matters touching on the welfare of the colonies, and submitting that the time has come when your Excellency may properly designate the persons who should represent the Government of Canada at the said conference.

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The Minister therefore recommends that the Honourable Mackenzie Bowell, Minister of Trade and Commerce, the Honourable Sir Adolphe P. Caron, K.C.M.G., Postmaster General, and the Honourable George Eulas Foster, Minister of Finance, be appointed to represent the Government of Canada at the said conference.

The Minister also recommends—considering that the laying of an electric cable for communication between Australasia and Canada will probably be one of the subjects considered at the conference, and considering the interest taken in that undertaking by Sandford Fleming, C.M.G.,—that Mr. Fleming be associated with the Canadian representatives at the conference on all matters relating to telegraphic communication.

The Committee submit the above recommendations for Your Excellency's approval.

(Sgd.)

JOHN J. MCGEE,

Clerk of the Privy Council.

NEW SOUTH WALES.

By His Excellency the Right Honourable Sir ROBERT WILLIAM DUFF, a member of Her Majesty's most Honourable Privy Council, a Knight Grand Cross of the most distinguished Order of St. Michael and St. George, Governor and Commander-in-chief of the Colony of New South Wales and its dependencies.

To the Honourable FRANCIS BATHURST SUTTOR, Esquire, Minister of Public Instruction of the Colony of New South Wales.

GREETING :

Whereas it has been determined to hold a conference in the city of Ottawa, in the Dominion of Canada, during the month of ¹ of the present year, at which representatives of the governments of the Australasian colonies have been invited to attend, to consider questions in regard to the establishment of direct cable communication between Great Britain and Ireland, Canada and Australasia, and other subjects of common interest, with a view to mutual agreement on such questions, to the common advantage of those countries :

Now therefore, I, Sir Robert William Duff, the governor aforesaid, do, with the advice of the Executive Council of the said Colony of New South Wales, hereby appoint you, the said Francis Bathurst Sutor, Esquire, to represent and act in behalf of the government of the said Colony of New South Wales, in and at the said conference, and you are hereby authorized to confer and deliberate with the other representatives thereat assembling, and to report from time to time, should occasion arise to seek fresh instructions, and finally to report fully the proceedings of such conference.

(Sgd.)

R. W. DUFF.

(Seal.)

Given under my hand and seal of the Colony of New South Wales, at Government House, this eighteenth day of May, in the year of our Lord one thousand eight hundred and ninety-four, and in the fifty-seventh year of Her Majesty's reign.

By His Excellency's command,

(Sgd.)

GEORGE R. DIBBS.

[Seal.]

TASMANIA.

By His Excellency the Right Honourable JENICO WILLIAM JOSEPH, VISCOUNT GORMANSTON, Knight Commander of the most Distinguished Order of St. Michael and St. George, Governor and Commander-in-Chief in and over the Colony of Tasmania and its dependencies.

To the Honourable NICHOLAS FITZGERALD, Member of the Legislative Council of the Colony of Victoria.

GREETING :

Whereas a conference is shortly to be held at Ottawa, in the Dominion of Canada, for the purpose of discussing various questions of trade relations between the said Dominion of Canada and the Australasian Colonies and direct cable communication by the Pacific,

AND WHEREAS it is expedient that the Colony of Tasmania shall be represented at the said conference, now therefore I, the Right Honourable Jenico William Joseph, Viscount Gormanston, Knight Commander of the most Distinguished Order of Saint Michael and St. George, Governor and Commander-in-Chief, as aforesaid, having full confidence in the fidelity, ability and discretion of the said Honourable Nicholas Fitzgerald, do by these presents appoint you to attend the said conference and to take part in all the proceedings thereat, for and in behalf of the Colony of Tasmania; and in case you the said Honourable Nicholas Fitzgerald shall be unable, from any cause, in your own proper person to attend at the said conference, then I, the said Right Honourable Jenico William Joseph, Viscount Gormanston do hereby authorize and empower you to appoint some fit and proper person as, and to be, your deputy for the purposes aforesaid, and for so doing this shall be your sufficient warrant.

Given under my hand at Hobart, in Tasmania aforesaid, and the seal of the Colony of Tasmania, this ninth day of May, one thousand eight hundred and ninety-four.

(Sgd.) GORMANSTON, *Governor.*

By His Excellency's Command.

(Sgd.) E. BRADDON, *Premier.*

CAPE OF GOOD HOPE

[Seal.]

(Commission.)

W. G. CAMERON, General, Officer Administering the Government.

By His Excellency General Sir WILLIAM GORDON CAMERON, Knight Commander of the most Honourable Order of the Bath, senior officer in command of Her Majesty's Troops in the Colony of the Cape of Good Hope, in South Africa, administering the government of the said colony, and the territories and dependencies thereof, and acting as Her Majesty's High Commissioner for South Africa, &c., &c.

To the Honourable Sir John Henry de Villiers, Knight Commander of the most Distinguished Order of St. Michael and St. George, Chief Justice of the Colony of the Cape of Good Hope.

GREETING :

Whereas the Government of the Dominion of Canada has invited me to appoint delegates to represent this colony at a conference to be held at Ottawa, to consider the trade relations existing between Canada and certain British colonies, and the best means of extending the same, and of securing the construction of a direct telegraphic cable between such colonies and the Dominion of Canada;

And whereas, I deem it expedient that for such purpose delegates should be appointed;

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Now, therefore, I, the officer administering the government aforesaid, have nominated and appointed, and do by these presents nominate and appoint you, the said Sir John Henry de Villiers, to be, in conjunction with Sir Charles Mills, K.C.M.G., C.B. Agent General for the colony, a delegate to represent this colony at the said conference

Given under my hand and the public seal of the Colony of the Cape of Good Hope at Cape Town, this 16th day of May, in the year of Our Lord one thousand eight hundred and ninety-four.

By command of His Excellency the officer administering the Government in Council.

(Sgd.)

C. J. RHODES.

[Seal.]

(Commission.)

W. G. CAMERON, General, Officer Administering the Government.

By His Excellency General Sir WILLIAM GORDON CAMERON, Knight Commander of the most Honourable Order of the Bath, senior officer in command of Her Majesty's troops in the Colony of the Cape of Good Hope, in South Africa, administering the government of the said colony, and the territories and dependencies thereof, and acting as Her Majesty's High Commissioner for South Africa, &c., &c.

To Sir Charles Mills, Knight Commander of the most Distinguished Order of Saint Michael and Saint George, Companion of the most Honourable Order of the Bath, Agent General for the colony of the Cape of Good Hope.

GREETING :

Whereas the Government of the Dominion of Canada has invited me to appoint delegates to represent this colony at a conference to be held at Ottawa, to consider the trade relations existing between Canada and certain British colonies, and the best means of extending the same, and of securing the construction of a direct telegraphic cable between such colonies and the Dominion of Canada ;

And whereas, I deem it expedient that for such purpose delegates should be appointed ;

Now, therefore, I, the officer administering the government aforesaid, have nominated and appointed and do by these presents nominate and appoint you the said Sir Charles Mills, to be, in conjunction with Sir John Henry de Villiers, K.C.M.G., Chief Justice of the colony, a delegate to represent this colony at the said conference.

Given under my hand and the public seal of the Colony of the Cape of Good Hope, at Cape Town, this 16th day of May, in the year of our Lord one thousand eight hundred and ninety-four.

By command of His Excellency the officer administering the Government in Council.

(Sgd.) C. J. RHODES.

[Seal.]

(Commission.)

W. G. CAMERON, General, Officer Administering the Government.

By His Excellency General Sir WILLIAM GORDON CAMERON, Knight Commander of the most Honourable Order of the Bath, senior officer in command of Her Majesty's troops in the Colony of the Cape of Good Hope in South Africa, administering the government of the said colony, and the territories and dependencies thereof, and acting as Her Majesty's High Commissioner for South Africa, &c., &c., &c.

To the Honourable JAN HENDRIK HOFMEYER, a member of the House of Assembly of the Colony of the Cape of Good Hope.

GREETING :

Whereas I did by commissions bearing date the 16th day of May, 1894, appoint the Honourable Sir John Henry de Villiers, K. C. M. G., Chief Justice of the colony,

and Sir Charles Mills, K. C. M. G., C. B., agent general for the colony in London, to be delegates to represent this colony at a conference to be held at Ottawa to consider the trade relations existing between Canada and certain British colonies, and the best means of extending the same, and of securing the construction of a direct telegraphic cable between such colonies and the Dominion of Canada :

And, whereas I deem it expedient that an additional delegate should be appointed ;

Now, therefore, I, the officer administering the government aforesaid, have nominated and appointed, and do by these presents nominate and appoint you, the said Jan Hendrik Hofmeyer, to be, in conjunction with the said Sir John Henry de Villiers and the said Sir Charles Mills, a delegate to represent this colony at the said conference.

Given under my hand and the public seal of the Colony of the Cape of Good Hope, at Cape Town, this 21st day of May, in the year of our Lord one thousand eight hundred and ninety-four.

By commend of His Excellency the officer administering the Government in Council.

(Sgd.) C. J. RHODES.

SOUTH AUSTRALIA.

(Sgd.) S. J. WAY.

[Seal.]

His Excellency the Honourable SAMUEL JAMES WAY, Her Majesty's Lieutenant Governor of the province of South Australia and the dependencies thereof, &c., &c., &c.

To the Honourable THOMAS PLAYFORD :

GREETING :

Know ye that I, relying on your integrity and ability, have constituted and appointed, and by these presents do constitute and appoint you, the said Thomas Playford, to represent the province of South Australia at a conference of Canadian and other representatives to be held at Ottawa, in the Dominion of Canada, in or about the month of June, 1894, for the purpose of considering matters relating to trade relationships, mail communication, telegraphic connection, and other questions of Canadian and Australian concern.

Given under my hand and the public seal of the said province, at Adelaide, this twenty-fourth day of April, in the year of our Lord one thousand eight hundred and ninety-four.

By command,

(Sgd.) J. H. GORDON,

Chief Secretary.

Recorded in the Register of Commissions,

Letters patent, vol., 6.

L. H. SHOLL, *Under Secretary.*

NEW ZEALAND.

Victoria, by the Grace of God, of the United Kingdom of Great Britain and Ireland, Defender of the Faith.

To all to whom these presents shall come, and to our trusty and well beloved Alfred Lee Smith, Esquire, of Dunedin, New Zealand.

GREETING :

Whereas a conference of delegates of the Australasian colonies has been invited by Her Majesty's Canadian Government to meet in the city of Ottawa, Canada, on Thursday the twenty-first day of June, one thousand eight hundred and ninety-four, for the purpose of considering the trade relations existing between Canada and the Australasian colonies and the best means of extending the same, and of securing the construction of a direct telegraphic cable between those colonies and the Dominion of Canada :

Colonial Conference.

Now know ye that, we, reposing a special trust and confidence in your knowledge, integrity and ability, do by these presents authorize and appoint you the said Alfred Lee Smith, to be the representative of our Colony of New Zealand at the aforesaid conference.

In testimony whereof we have caused these our letters to be made patent, and the seal of our said Colony of New Zealand to be hereunto affixed.

[Seal.]

GLASGOW.

Witness our right trusty and well-beloved cousin David, Earl of Glasgow, Knight Grand Cross of our most Distinguished Order of St. Michael and St. George; Governor and Commander-in-chief in and over our Colony of New Zealand and its dependencies, the Vice-Admiral of the same; and issued under the seal of the said colony, at Wellington, this twenty-third day of April in the year of our Lord one thousand eight hundred and ninety-four, and in the fifty-seventh year of our reign.

By His Excellency's command,

(Sgd.) R. J. SEDDON, *Premier.*

VICTORIA.

By His Excellency the Right Honourable JOHN ADRIAN LOUIS, Earl of Hopetoun, Viscount Aithrie, and Baron Hope, in the Peerage of Scotland; Baron Hopetoun of Hopetoun and Baron Niddry of Niddry Castle, in the Peerage of the United Kingdom; Knight Grand Cross of the most Distinguished Order of Saint Michael and Saint George; Governor and Commander-in-chief in and over the Colony of Victoria and its dependencies, &c., &c., &c.

To the Honorable Sir Henry John Wrixon, K.C.M.G., Q.C., M.P., of Melbourne, in the Colony of Victoria.

GREETING :

Whereas it has been determined to hold a conference at Ottawa, Canada, on Thursday the 21st June, proximo, for the purpose of considering the trade relations existing between Canada and the respective countries represented, and the best means of extending those relations, and of securing the construction of a direct telegraphic cable between Australasia and the Dominion of Canada.

Now, therefore, I, John Adrian Louis Earl of Hopetoun, the Governor aforesaid, do, with the advice of the Executive Council, hereby appoint you the said Sir Henry John Wrixon to be delegate, to represent and act on behalf of the Government of Victoria in and at the said conference.

(Sgd.) HOPETOUN.

Given under my hand and the seal of the colony, at Melbourne, in the said colony, this twenty-third day of April, in the year of our Lord one thousand eight hundred and ninety-four, and in the fifty-seventh year of Her Majesty's reign.

[Seal.]

By His Excellency's command.

(Sgd.) J. B. PATTERSON.

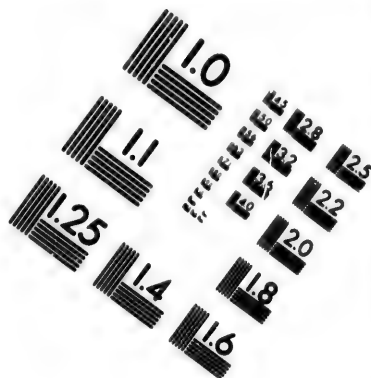
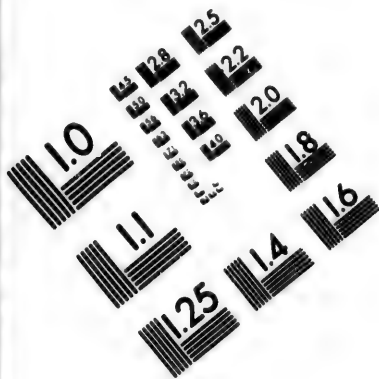
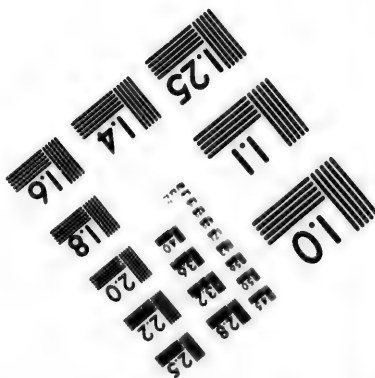
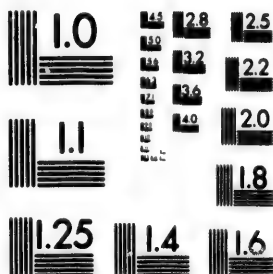


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By His Excellency the Right Honourable JOHN ADRIAN LOUIS, Earl of Hopetoun, Viscount Aithrie, and Baron Hope, in the Peerage of Scotland; Baron Hopetoun of Hopetoun and Baron Niddry of Niddry Castle, in the Peerage of the United Kingdom; Knight Grand Cross of the most Distinguished Order of Saint Michael and Saint George; Governor and Commander-in-chief in and over the Colony of Victoria and its dependencies, &c. &c., &c.

To the Honourable NICHOLAS FITZGERALD, M.L.C. of Melbourne, in the Colony of Victoria.

GREETING :

Whereas it has been determined to hold a conference at Ottawa, Canada, on Thursday, the 21st day of June, proximo, for the purpose of considering the trade relations existing between Canada and the respective countries represented, and the best means of extending those relations, and of securing the construction of a direct telegraphic cable between Australasia and the Dominion of Canada; Now, therefore, I, John Adrian Louis, Earl of Hopetoun, the Governor aforesaid, do, with the advice of the Executive Council, hereby appoint you the said Nicholas Fitzgerald to be a delegate to represent and act on behalf of the government of Victoria in and at the said conference.

(Sgd.) HOPETOUN.

Given under my hand and the seal of the colony, at Melbourne, in the said colony, this twenty-third day of April, in the year of our Lord one thousand eight hundred and ninety-four, and in the fifty-seventh year of Her Majesty's reign.

[Seal.]

By His Excellency's command.

(Sgd.) J. B. PATTERSON.

By His Excellency the Right Honourable JOHN ADRIAN LOUIS, Earl of Hopetoun, Viscount Aithrie, and Baron Hope, in the Peerage of Scotland, Baron Hopetoun of Hopetoun and Baron Niddry, of Niddry Castle, in the Peerage of the United Kingdom; Knight Grand Cross of the most Distinguished Order of Saint Michael and Saint George; Governor and Commander-in-chief in and over the Colony of Victoria and its dependencies, &c., &c., &c.

To the Honourable Simon Fraser, M.L.C., of Melbourne, in the Colony of Victoria—

GREETING :

Whereas it has been determined to hold a conference at Ottawa, Canada, on Thursday, the twenty-first day of June, proximo, for the purpose of considering the trade relations existing between Canada and the respective countries represented, and the best means of extending those relations, and of securing the construction of a direct telegraphic cable between Australasia and the Dominion of Canada; now, therefore, I, John Adrian Louis, Earl of Hopetoun, the Governor aforesaid, do, with the advice of the Executive Council, hereby appoint you the said Simon Fraser to be a delegate to represent and act on behalf of the Government of Victoria in and at the said conference.

(Sgd) HOPETOUN.

Given under my hand and the seal of the colony at Melbourne, in the said colony, this twenty-third day of April, in the year of our Lord one thousand eight hundred and ninety-four, and in the fifty-seventh year of Her Majesty's reign.

[Seal.]

By His Excellency's Command

(Sgd.) J. B. PATTERSON.

Colonial Conference.

QUEENSLAND.

(Copy of a Minute of proceedings of the Executive Council on 18th April, 1894.)

The Hon. A. J. THYNNE and the Hon. W. FORREST appointed to represent Queensland at the Canadian Conference.

His Excellency the Governor, at the instance of the Honourable the Colonial Secretary, in the absence of the Hon. the Premier, proposes to the Council that the Honourable Andrew Joseph Thynne, M.L.C. and Member of the Executive Council, and the Honourable William Forrest, M.L.C., be appointed to represent the Colony of Queensland at the conference to be held at Ottawa, in June next, for the purpose of promoting telegraphic communication and more extended trade relations between the Dominion of Canada and the Australasian colonies.

The Council advise as recommended.

Immediate action.

(Sgd.) A. V. DRURY,
Clerk of the Council.

Approved,

(Signed) H. W. NORMAN,
18-4-94.

FIJI.

GOVERNMENT HOUSE, SUVA, FIJI, 7th April, 1894.

SIR,—I have the honour to acknowledge the receipt of your letter of the 7th of February last, informing me that by the same mail I should receive a copy of an Order in Council respecting the Intercolonial Conference to be held in Canada, in June next, and also inclosing a copy of a letter which you had then recently received from Mr. Sandford Fleming respecting the proposed Pacific cable.

I am exceedingly obliged to you for this paper as well as for the inclosed copy of Mr. Fleming's address before the second Congress of Chambers of Commerce of the Empire, in London, in 1892, on the same subject.

The copy of the Order in Council, to which you refer in the opening paragraph of your letter, only reached me by the mail which arrived here upon the 4th instant, and I exceedingly regret that I have been compelled to inform the Governor General of Canada that in consequence of the very small staff of officers connected with the administration of the government of this colony, and of my visit under the direction of the Marquess of Ripon in June next to the Solomon Islands, I shall neither be able to appoint any delegates to the conference nor attend it myself, as I should have preferred to do.

I have ventured to state to the Governor General that I do not think the absence of a delegate from this colony will have any practical bearing, its interests being identical with those of the larger and wealthier Australasian colonies which I do not doubt will be very ably represented.

I have the honour to be, sir,
Your obedient servant,

(Sgd.) JOHN B. THURSTON.

The Honourable MACKENZIE BOWELL,
Minister of Trade and Commerce,
Canada.

NEWFOUNDLAND.

CERTIFIED COPY of a report of a Committee of the Honourable the Privy Council of Canada, approved by His Excellency the Governor General in Council on the 24th May, 1894.

The Minister of Trade and Commerce recommends that an invitation be extended to the Government of Newfoundland to send a delegate or delegates to represent it at the conference called to meet at Ottawa, on the 21st June next, for the purpose of considering the questions of more intimate trade relations between the British colonies, and of direct cable communication with Australasia.

The Committee advise that Your Excellency be moved to forward a certified copy of this minute, conveying such invitation, to His Excellency the Governor of Newfoundland.

(Sgd.) JOHN J. MCGEE,
Clerk of the Privy Council.

(Governor of Newfoundland to the Governor General.)

GOVERNMENT HOUSE, ST. JOHN'S, 12th June, 1894.

MY LORD,—Having submitted for the consideration of my government your Lordship despatch of the 26th ult., I beg to inclose a copy of a minute of Council, regretting, that under present circumstances, this colony is unable to accept your invitation to be represented at the approaching Intercolonial Conference at Ottawa.

I have, &c.,
(Sgd.) T. O'BRIEN, *Lt.-Col.,*
Governor.

The Earl of Aberdeen,
&c., &c., &c.

COLONIAL SECRETARY'S OFFICE, ST. JOHN'S, N.F.

SIR,—I have the honour, by direction of His Excellency the Governor, to be requested to inform the Governor General of Canada, in reply to the courteous invitation of the Government of Canada to be represented at the Intercolonial Conference to be held in Ottawa, that the government of this colony deeply regret that, owing to the briefness of the notice, and to the urgency of other business, it does not appear possible for them at this time to advise the acceptance of the invitation.

(Sd.) ALFRED B. MORINE,
Acting Colonial Secretary.

June 13th, 1894.

HAWAII.

To all to whom these presents may come—

GREETING :

Know ye that at a special meeting of the Honolulu Chamber of Commerce held at its rooms on the 1st day of March, 1894, Mr. Theo. H. Davies was, by the unanimous vote of all the members present, duly appointed a delegate of this Chamber to the Intercolonial Conference to be held at Ottawa, Canada, for the purpose of considering matters of trade and cable communications across the Pacific Ocean.

In witness whereof the vice-president and the secretary of this Chamber of Commerce have hereunto affixed their signatures at Honolulu, Oahu, H. I., on the 1st day of June, A.D. 1894.

(Sgd.) F. A. SCHAEFER,
Vice-president.
(Sgd.) J. B. ATHERTON,
Secretary.

Colonial Conference.

OTTAWA, 27th June, 1894.

SIR,—I have the honour to inform you of my arrival in this city, in compliance with the request and appointment of the Chamber of Commerce of Honolulu.

In order to make my position perfectly clear, I beg to state that I am simply instructed to render any assistance that may be required of me in considering the establishment of steam and cable communication across the Pacific Ocean, and in which Hawaiian commerce may be interested.

During your recent visit to Honolulu, you expressed the desire that a member of the Honolulu Chamber of Commerce should be officially invited to be present in Ottawa during the Intercolonial Convention, in order that the delegates might have the opportunity of conferring with him upon the two special points indicated.

Upon receipt of the invitation from the Dominion Government, the Honolulu Chamber delegated me to represent them in the above named capacity.

Before leaving London, and in order to avoid any possibility of misconception, I had interviews with Sir Charles Tupper, and with two other gentlemen high in the service of the Imperial and of the United States Governments respectively, and I explained to them fully the foregoing limitations, with which they expressed satisfaction.

I trust this statement will sufficiently define the scope of my authorized position.

I have the honour to be, sir,

Your most obedient humble servant,

(Sgd.) THEO. H. DAVIES.

The Hon. MACKENZIE BOWELL,
Minister of Trade and Commerce, &c., &c.

APPENDIX "B."

REPORT BY SIR JOHN THOMPSON, PREMIER OF CANADA, ON THE
SUBJECT OF CANADIAN COPYRIGHT.

TO HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL :

The undersigned, having had under consideration a despatch from Lord Knutsford to Your Excellency's predecessor dated 30th June, 1892, in reply to a despatch of His Excellency Lord Stanley of Preston of the 19th October, 1891, in which His Excellency transmitted an address to Her Majesty from the Senate and Commons of Canada, praying for imperial legislation which should explicitly confer upon the Parliament of Canada the power to legislate on all matters relating to copyright in Canada, without regard to statutes in force when the Parliament of Canada was established, etc., etc., has the honour to submit the following observations upon the report which accompanied the despatch of Lord Knutsford, and which had been made by departmental representatives of the Colonial Office, Foreign Office, Board of Trade and Parliamentary Counsel's office to the Right Honourable Sir Michael Hicks-Beach, on the subject of Canadian copyright.

It is, no doubt, true, as stated in the third paragraph of the report of the Committee, that from the point of view of British authors and publishers, the Imperial Statute of 1842 was satisfactory to those authors and publishers ; because it gave the British author and publisher a monopoly, by copyright extending over the sovereign's dominions for 42 years from the first application, or seven years from the author's death. It may be regarded, indeed, as a continuance, for their benefit, of the system which was based on the idea that the colonies were to be preserved only for the benefit of the producers in the British islands, and that the inhabitants of those colonies had no rights of self-government, or otherwise, which were inconsistent with the interests of the British producers.

The colonial publisher and the colonial reader, however, had every reason to be dissatisfied with the enactment of 1842, and it is not to be wondered at that their representatives made very emphatic protests. Those protests are enumerated and referred to in the letter of the undersigned to Lord Knutsford, dated 14th July, 1890, which forms an appendix to this report.

The protests and the agitation for redress continued until 1846, when Mr. Gladstone gave warning to the publishing trade in England that they must be induced "to modify any exclusive view which might still prevail in regard to this important subject ;" and shortly afterwards a report was made from the Colonial Office to the Board of Trade, intimating the decision of the Secretary of State for Colonies, Earl Grey, that "after the repeated remonstrances which had been received from the North American colonies on the subject of the circulation there of literary works of the United Kingdom, he proposed to leave to colonial legislatures the duty and responsibility of enacting laws which they should deem proper for securing the rights of authors and the interests of the public."

Earl Grey requested that the Board of Trade should be moved to take "such measures as might be expedient for submitting to parliament, at the ensuing session, a bill authorizing the Queen to extend the royal sanction to any colonial law or ordinance which might be passed respecting copyright, notwithstanding the repugnancy of any such law or ordinance to the copyright law of the United Kingdom."

The circular of Earl Grey to the governors of the North American colonies, which followed, dated November, 1846, announced that this was settled as the policy of Her Majesty's Government, and the governors were informed that a measure to carry out that suggestion would be introduced at the ensuing session. The full text of this circular will be found in the appendix, and it is remarkable that the assurance thus given,

Colonial Conference.

of the policy of Her Majesty's Government towards the North American colonies, remains unfulfilled to this day, in consequence, it must be assumed, of the influence which two classes—the authors and the publishers in the United Kingdom—were and have been able to exercise with regard to the legislation which had been promised, in relation to a matter so important to Her Majesty's colonies.

In paragraph 6 of the report, the committee thus refer to the pledge given by Her Majesty's Government to the colonies:

"It was, however, eventually determined not to legislate in accordance with the 'terms of Lord Grey's despatch, but, instead, to pass the Imperial Act which bears the 'short title of the 'Colonial Copyright Act of 1847,' but is commonly known as 'The 'Foreign Reprints Act.'"

It might be supposed, from this mode of stating the case, that the "determination not to legislate in accordance with 'the terms of Lord Grey's despatch' was a determination arrived at as the result of an understanding with the colonies, that this measure should be accepted as a substitute for the concession which Lord Grey had promised. This, however, does not appear to have been the case. It was a measure of temporary and partial relief and it can hardly be supposed that a determination was arrived at by Her Majesty's Government, to abandon or repudiate the pledge which had been so formally given, or even to substitute for what had been promised a measure which, while it might satisfy present wants, fell vastly short of what had been promised. The "Foreign Reprints Act" was, no doubt, adopted merely as a measure of temporary relief and until the wider measure could be obtained.

Paragraph 6, of the Committee's report, states that the Act "was satisfactory from 'the point of view of the Canadian reader, because it enabled him to obtain cheap reprints of British copyright books.'" It is true that the "Foreign Reprints Act" was, as stated above, a measure of relief to the Canadian reader, for the reason given in the paragraph quoted. The legislatures of the colonies were willing to wait a reasonable time for the fulfilment of Earl Grey's promise, and in the meantime to accept the temporary expedient by which the monopoly which excluded British literature from the borders of the colonies was relaxed in favour of an impost for the benefit of those who had a (statutory) right to that monopoly. In short, the Imperial Parliament, finding the monopoly so great a grievance, obliged the holders of it to compound for money compensation which the colonist would pay without much expression of discontent, even if it involved the denial to his country, for a time, of the rights of self-government which should have been considered at least as important as the (statutory) rights of copyright holders, and which had been promised in the plainest terms.

It was quite obvious, however, that the colonies would not long rest satisfied with such a system. The growth and development of their publishing interest would have soon put an end to acquiescence in the scheme, even if the legislatures had been willing to continue to be denied their proper powers and to be tax-gatherers for a privileged class outside the country.

In March, 1870, the British copyright owners, not being satisfied with the proceeds of the taxation on foreign reprints, and desiring their monopoly restored to its full vigour, demanded the repeal of the Foreign Reprints Act.

The Copyright Commission of 1876 followed, and in their report of 1879 it was stated that copyright holders had only received, as the result of their taxing scheme, from nineteen colonies which had taken advantage of the Act, £1,155 13s. 2½d.; but it is to be observed that of this sum £1,084 13s. 3½d. was received from Canada, leaving about £71 as the contribution from the other eighteen colonies. Probably the same proportion has been continued since. Great pains have been taken to collect the tax for the benefit of copyright holders, notwithstanding the belief has been growing, from year to year, that the present state of the law is odious and unjust. The copyright holders of the United Kingdom have made suggestions from time to time for improvements of the method of collecting this tax, in order that the proceeds may be augmented, and the Government of the Dominion has always made the collections vigilantly and in good faith. They are willing even to adopt improved methods of collection, but they can

only offer to do so as part of an improved scheme of copyright, such as that embodied in the Canadian Act of 1889 and by way of an amendment to some such enactment as that, to come into force concurrently with such Act.

While, as has been stated, the "Foreign Reprints Act" gave a measure of relief to the Canadian reading public, it had the effect of creating a monopoly for the publishers of the United States and of preventing the publishing business of Canada from attaining dimensions such as might reasonably have been expected in a country where the whole population is a reading population, and where the practice has always been, with few exceptions, compared with European countries, for the people to buy the books which they read. In spite of this disadvantage the publishing interest has grown very considerably. It has been represented in some former discussions on this question as being small and unimportant. All that seems necessary to be said upon that subject, for the present, is that it is small in comparison with what it should be, and in comparison with what it would be under a proper adjustment of the copyright laws.

It is noted in paragraph 14 of the Committee's report that the Senate of Canada adopted an address to Her Majesty in 1868, urging the change which Lord Grey had promised, that the answer thereto, on the 22nd of July, 1868, was merely that the question was too important, and involved too many questions of imperial policy for legislation at that session of Parliament, and it was then intimated that negotiations with the United States on the subject of copyright required some delay in dealing with the colonies with regard to that interest.

The part which negotiations with the United States have played in this discussion with Canada, will be referred to hereafter, but it is apparent that for more than twenty years these negotiations have been made use of as a reason for postponing the requests, admitted to have been reasonable, which were presented by the Dominion of Canada, and that when an arrangement was eventually made with the United States, the publishers of that country received the benefit of the British copyright monopoly of the colonies, with rights reserved in their favour which were refused to Canada, and the conclusion of that arrangement with the United States is now suggested by the Committee, whose report is under review, as a new reason why the demands of Canada should not prevail, because it would interfere with the United States copyright holders who have been presented with the monopoly of Canada for the sale of their publications.

Pursuing the narrative, however, it is important to note that the assurances which have been received by Canada, from time to time, express sympathy with the colonial interests; and that after more than twenty years of inquiry, consideration, discussion, sympathy and promises, it was stated by the Lords of Trade, with reference to that address of the Senate, that the subject was "a matter that called for inquiry" and that "an endeavour should be made to place the general law on copyright, especially that part of it which concerned the whole continent of America, on a more satisfactory footing."

It may be observed here that by the arrangement with the United States "the general law of copyright, in so far as it concerned the *** continent of America," was indeed put on a footing more satisfactory as regards the British author and publisher and the United States publisher, but that that part of the continent of North America which bears allegiance to Her Majesty has received no consideration in the improvement of the law.

The Duke of Buckingham and Chandos on the 31st July, 1868, sending his formal reply to the despatch accompanying the address of the Senate, made the admission, which was not very remarkable, at that stage of the discussion, that "the law of copyright, generally, might be a very fit subject for future consideration."

The Canadian Government were of the same opinion, and on 9th April, 1869, they transmitted another representation on the subject, but the Board of Trade considered that the Canadian proposal should not be adopted immediately, because nothing could be done for Canada unless the United States were a party to the arrangement, and that "whatever protection should be given to authors on one side the St. Lawrence must, in order to be effectual, be extended to the other." The equivalent proposition would seem also to be implied, viz., that whatever protection might be given to publishers on

one side the St. Lawrence must be extended to the other. Her Majesty's Government, however, have not yet carried out those propositions because they have agreed to an arrangement by which the British author or publisher, in order to get the benefit of copyright protection in the United States, is obliged to print his book from type set in the United States, and it yet withholds from Canada the concession of allowing a Canadian publisher to reprint at all, even from plates imported from Great Britain, and on payment of a tax levied in favour of the copyright holder on every copy of the publication.

Canada was assured, however, by Earl Granville's despatch of the 20th October, 1869, that at the ensuing session of Parliament copyright would be permitted on publication in the colonies, a concession of very slight and doubtful importance. When, under the Berne Convention, a concession in that direction was given, the colonial author or publisher, received his slight privilege only in common with the authors and publishers of all the other countries included in that convention.

Attention is again called to the report of the Minister of Finance of Canada in 1870, followed by the request of Lord Kimberley on the 29th of July, 1870, that the views of the Canadian Government might be again forwarded in order that Her Majesty's Government might give them consideration before the ensuing session—and to the report from the Ministers of Finance and of Agriculture, dated 30th November, 1870, in which those views were once more set forth. Consideration seems not to have been given to the information thus asked for and obtained, and on the 14th of May, 1872, the views of the Canadian Government were again set forth in a report of the same ministers, which was adopted and transmitted on the 14th of the same month.

After thirty years of reiterated complaints the Canadian Government felt called upon to declare the existing system "wholly indefensible," and to state that the Canadian publishers were being "treated with the greatest injustice." The report of the ministers stated that it had "long been the custom of owners of British copyright to "sell to American publishers advance sheets of their works, and when Canadian publishers" had "offered to acquire copyright in Canada by purchase, they had been told "that the arrangements made between the British and American publishers were such "as to prevent negotiations with Canadians."

In the same year a Copyright Act was passed by the Canadian Parliament and forwarded for Her Majesty's assent. It was based on the same principles as the Canadian Copyright Act of 1889. The assent was withheld.

The undersigned does not propose, in the course of these observations, to detail at length the various negotiations which have taken place. They will be found more fully stated in the appendix hereto. Attention is called to them in this place chiefly because many, which seem to the undersigned to be of importance, are not mentioned in the report of the Committee, and because it seems important to notice that from the commencement of the agitation in 1842 down to the present year, the representations from the North American colonies have met with the same response from Her Majesty's Government, namely, an admission that grievances existed as stated, promise of redress—followed by expressions of determination to consider the subject, and a declaration that the measure proposed by the Parliament of Canada to lessen the grievances was beyond the powers of that parliament and must be authorized by an Act of the Imperial Parliament in order to be effectual.

The despatch of Lord Carnarvon dated 15th June, 1874, is an illustration of the progress which the agitation had made since Her Majesty's Government, in 1846, with a full knowledge of the whole subject, had promised to confer full legislative powers at the ensuing session. His Lordship stated then (twenty-eight years after Lord Grey's circular despatch), that he was aware "that the subject of colonial copyright had long "been under consideration," that he was ready "to co-operate," and that he had "a confident hope" that Her Majesty's Government might, "without difficulty, be able "to agree on the provisions of a measure which, while preserving the rights of owners "of copyright works" in the United Kingdom "under the Imperial Act, would give "effect to the views of the Canadian Government and Parliament."

One of the most important points in the narrative is that mentioned in paragraph 21 of the Committee's report, namely, the appointment of a Royal Commission on copyright, in 1876, and also the report of that commission in 1879. It appears necessary to point out that the report of that commission recommends the adoption of the principle on which is based the Canadian Copyright Act of 1889, namely, the establishment of a licensing system for republications of copyright works in the colonies, and the collection of a tax in favour of the copyright holder as a compensation.

In pursuing the course of discussion followed by the Committee, whose report is under review, it seems proper to make some reference to that branch of the subject which refers to copyright arrangement with other countries; and first to notice the position of Your Excellency's government on the subject of the Berne Copyright Convention.

At the outset, however, it may be well to state the ground upon which the Canadian Government base their request for the withdrawal of Canada from that convention. When assent was given, on the part of the Canadian Government, to be included in that convention, one of the considerations which prevailed was the confidence in the assurances given by Her Majesty's Government with regard to the amelioration of the law of copyright as it affected Canada, notwithstanding the great delay which had occurred. But the principal consideration was the fact that Canada could withdraw from the convention on a year's notice to that effect being given to the countries included in the convention.

The Canadian Government afterwards formally requested Her Majesty's Government to give notice of the withdrawal of Canada. That request not having been complied with, an address of both Houses of Parliament to Her Majesty was unanimously passed in the session of 1891, requesting that the notice be given. Recently, your Excellency's Government has forwarded a renewed request that the notice be given without further delay. The undersigned respectfully submits that the reasons which induce persistence in this determination to withdraw from the convention are in the judgment of the Parliament and Government of Canada.

Parliament has complete cognizance of Canadian interests in such matters and has unanimously endorsed the request of your Excellency's advisers that notice should be given.

The statement was made by the undersigned, in a previous report, that the condition of the publishing interest in Canada was made worse by the Berne Convention. That statement is adhered to. The monopoly which was, in former years, complained of in regard to British copyright holders is now to be complained of, not only as regards British copyright holders, but as to the same class in all countries included in the Berne Copyright Union. Canada is made a close market for their benefit, and the single compensation given by the convention for a market of five millions of reading people is the possible benefit to the Canadian author, whose interests seem not to have been thus cared for on account of a very high estimate of their value, because the Committee whose report is under review describe the Canadian author as "belonging rather to the future than to the present." Without accepting this estimate as quite accurate it may at least be said that the Canadian Parliament may be trusted to care for the interests of Canadian authors. The Berne Convention had in view considerations of society which are widely different from those prevailing in Canada. In Europe the reading population in the various countries is comparatively dense;—in Canada a population considerably less than that of London is dispersed over an area nearly as large as that of Europe. In the cities of Europe, especially in Great Britain, the reading public is largely supplied from the libraries, while in Canada, as a general rule, he who reads must buy. In European countries the reading class forms but a fraction of the whole population, while in Canada it comprises nearly the whole population.

If reasons against the continuance of Canada in the convention were called for, many would suggest themselves, but the undersigned does not understand that your Excellency's Government is called upon to give those reasons or to present an argument to justify the determination of Canada to withdraw from the convention.

No enactment in Canada to give effect to the Berne Convention has ever been passed, although some enactment would be necessary in order to make the system operative and effectual here.

Colonial Conference.

As regards what is called the "arrangement" made between Her Majesty's Government and the United States, some observations seem specially called for, in view of the position taken by the Committee whose report is being considered. In March, 1891, Congress passed the present copyright law. That law gives copyright in the United States to any author, whether a citizen of the United States or a subject of a foreign state, on condition that two printed copies of the book, printed from type set within the limits of the United States, be deposited (in accordance with the regulations prescribed), on or before the publication of the book. It is necessary, however, in the case of the subject of a foreign state, to show that his state permits citizens of the United States to have the benefit of copyright on the same terms as her own citizens. That requirement of course, is easy of fulfilment in the case of Great Britain, for the Copyright Act of 1842 permitted foreigners to obtain copyright, running not only in the United Kingdom but throughout Her Majesty's dominions, on mere publication in Great Britain, without any condition as to the type being set within the Queen's dominions.

It seems, from the Committee's report, to be considered, that Lord Salisbury, on the 15th June, 1891, made an agreement with the United States, which is an obstacle in the way of the Canadian request for improved copyright legislation being granted. If such could be supposed to be the case the contention of Canada in this respect would present a far more serious ground of complaint than has been yet stated. The contention would be that, after promises of redress had for many years remained unfulfilled, and at last fulfilment postponed on the explanation that such redress would be considered in negotiations for an international arrangement with the United States, Canada would now have to be informed that her request cannot be entertained or considered any longer, because the international arrangement with the United States precludes any consideration of her interests.

The undersigned submits, however, that such is not a correct statement of facts, or a reasonable conclusion from them. Mr. Lincoln, the United States Minister at London, appears to have asked information from Lord Salisbury as to the state of the copyright law in the United Kingdom. The reply of Lord Salisbury was, that an alien, by first publication in any part of Her Majesty's dominions, could obtain the benefit of British copyright and that contemporaneous publication in a foreign country did not prevent the author from obtaining copyright in Great Britain, that residence in Her Majesty's dominions was not a necessary condition, and that the law of copyright in force in all British possessions permits citizens of the United States of America to have the benefit of copyright on the same basis as British subjects.

It is submitted that in making this statement Lord Salisbury was merely stating what he believed to be the condition of the law of copyright at that time. He was not making any treaty, nor any arrangement with regard to copyright, although, probably, for convenience of expression the term, "arrangement with the United States" has been used in the report of Committee, and also in course of these observations. The Committee in their report seem to treat Lord Salisbury's answer (as to the condition of the existing law), as an agreement and almost as equivalent to an undertaking that the law should never be changed. Otherwise it is difficult to understand such expressions as are contained in paragraph 51: "The Act of 1889" (meaning the Canadian Act), "if confirmed by Her Majesty's Government, after the assurance given to the Government of the United States in 1891, would give rise to misconception and misunderstanding." "Of course if Canada were to withdraw from the operation of the Act of 1886, and still more if she were allowed to withdraw from the Act of 1842, there would be not merely a formal, but a substantial inconsistency between her legislation and Lord Salisbury's declaration."

It is not suggested that Lord Salisbury's declaration was that the law should not be changed, but that seems to be implied. If such is indeed to be inferred from Lord Salisbury's reply to Mr. Lincoln it would be well to inquire how long his declaration was intended to continue in force or is to be construed as being in force? Is it possible that the Convention of Berne, which was to endure until a year after denunciation, in so far as Canada was concerned, was intended by Lord Salisbury to be made perpetual in its application to Canada, by his making a statement of the law of the United Kingdom to Mr. Lincoln?

It seems perfectly obvious, notwithstanding the contrary view suggested by the report of the Committee, that Lord Salisbury merely informed Mr. Lincoln that on the 16th of June, 1891, the first condition above set forth, in the United States Copyright law, was complied with by the state of British law at the time. Lord Salisbury's object was to show Mr. Lincoln that Great Britain permitted citizens of the United States the benefits of copyright on substantially the same basis as to her own citizens. The Canadian Government and Parliament ask for no other condition of affairs; and Lord Salisbury's statement to Mr. Lincoln will still be good, and the reasonable requirements of the United States Government will still be satisfied if the Canadian Act of 1889 be ratified; because American holders of copyright in Great Britain will still be on the same footing as British copyright holders.

Before the so-called "arrangement with the United States" was made, in a letter which the undersigned had the honour to write to Lord Knutsford, on the 14th of July, 1890, it was suggested, as is quoted in paragraph 43 of the Committee's report:

"(1.) That the present policy of making Canada a market for American reprints, and closing the Canadian press for the benefit of the American press, in regard to British copyright works, has a direct tendency to induce the United States to refuse any international arrangement."

"(2.) That inasmuch as the existing Canadian copyright law affords protection to the copyright holder in every country which may make a treaty with Great Britain, it cannot be suggested, as it once was, that self-government in Canada on this subject would in the least impede negotiations with the United States for an international arrangement."

This prediction has been abundantly fulfilled since the passage of the United States Copyright Act. The United States publishers now insist, in making their arrangements with British authors and publishers, on a condition that Canada be included in the territory disposed of. Furthermore, the American purchasers of British rights refuse to Canadian publishers any arrangement for the publication of reprints in Canada. In this way the copyright holder outside of Canada not only enjoys, in Canada, a monopoly which the Copyright Act of 1842 gave him, but can and does sell to foreigners that monopoly in Canada, and the foreign purchaser thus acquires the right, under the Statute of 1842 and the Berne Convention Act of 1886, to lock the Canadian presses in order that his own may be kept in operation to supply Canadian readers.

It should be observed that by the Canadian Copyright Act of 1889, Canada asks less than the United States has obtained. The Congress of the United States has demanded that, before a British subject can obtain copyright in the United States, his book shall be printed from type set within the limits of the United States. Great Britain not only accedes to this demand, but permits a citizen of the United States to obtain copyright of his work in England, on production of his work there, printed on the type set in the United States, and thus the United States publisher at the same time secures copyright in both countries for a book produced from American type. The Canadian Act would permit type to be set in England and the plates imported, and on printing therefrom, copyright would be granted in Canada, if the printing were done within one month of the original publication elsewhere; but, failing such publication, the British copyright holder would be secure in his ten per cent royalty if the book should be republished (under license) in Canada.

In view of this state of affairs it is not accurate to say, as seems to be suggested in paragraph 54, section 4, of the report under review, that "The present demand for legislation on the lines of the Canadian Act of 1889, appears to come, not from the Canadian reader or author, but from the Canadian publisher and printer, who feel severely the competition of rivals in the United States, and wish to protect themselves by excluding their rivals' wares."

What the Canadian publishers principally complain of, under the present state of affairs, is that they are not allowed to compete with publishers of the United States, inasmuch as the British copyright holders dispose of their rights to American publishers, on condition that the latter shall have a monopoly of the Canadian market.

Another statement contained in the same paragraph of the report (section 6), indicates a want of information as to the facts, viz., the statement "That the effect of the

"American Act would not be to increase the inducement to American publishers to reprint British books. Before the Act, they could reprint any such books freely; since the Act they must make arrangements with such authors as take advantage of the provisions of United States legislation." The fact is that English books are eagerly sought for by United States publishers. They can afford to pay high prices, in view of the fact that the market of Canada is included in their purchases. The English authors are induced, also, to seek purchasers in the United States, in order to obtain copyright there and to get their books printed from United States type, which is a condition imposed there, although not imposed in Britain on the United States author, when he seeks copyright protection throughout the British Empire.

It is this enormous disadvantage, and not the competition of publishers in the United States, that Canada complains of, and it cannot correctly be alleged that the Canadians publishers "are undersold by competitors who have the advantage of larger capital and a larger market."

The Committee have devoted a considerable portion of their report to a statement of the objections to the confirmation of the Canadian Act of 1889. The undersigned forbears, at the present time, from entering into a discussion of the legal views on which the necessity for an Imperial Statute to confirm the Canadian Act depends. They have been fully set out in a report which he made in August, 1889. To the arguments therein stated he still adheres, but when it was made apparent, in the reply which was received to that report, that the Colonial Office had adopted a different opinion and held that an Imperial Statute was necessary, the attention of the Canadian Government and Parliament was immediately applied to the task of showing Her Majesty's Government that, for every reason which could be drawn from the assurance of the past, such an enactment should be speedily given. It was this branch of the subject that the undersigned had the honour to present, in his letter of the 14th July, 1890 written at Lord Knutsford's suggestion, and it is to this branch of the case that the present observations are intended principally to be applied.

It is proposed, therefore, to consider the various objections which are stated by the Committee in their report.

The first objection is this: "It would involve abandonment of the policy of international and imperial copyright which Her Majesty's Government adopted and to which Canada assented only six years ago."

It is denied that the provisions of the Canadian Act would involve the abandonment of that policy, even in so far as Canada is concerned, because the copyright holder would still be compensated, by the royalty instead of the customs duty. As regards the assent of Canada of six years ago to the Berne Convention, Canada's right to withdraw from the convention on a year's notice, was placed on the face of the treaty and she would not have consented to enter without that condition. The right has never been questioned and a request that Her Majesty's Government should give notice of Canada's withdrawal has been most distinctly and emphatically made. With a knowledge of these facts the Committee's report in paragraph 50, uses these words: "If Canada presses for withdrawal from the Berne Convention her request cannot well be refused."

The undersigned ventures to express the hope that no doubt will be entertained on this point. By an Order in Council, Canada, years ago, asked for the notice to be given. By an address of both Houses of Parliament she repeated that request in the most formal manner to Her Majesty. By a despatch of recent date your Excellency's Government urged that the notice be given without any further delay; and, in case there should be any uncertainty on the subject, it is now asserted that "Canada presses for withdrawal from the Berne Convention."

The next objection stated is that "It would be at least open to the charge of being inconsistent with the declaration as to the law of the United Kingdom and the British possessions which was made to the United States by Lord Salisbury, on the faith of which the United States admitted British authors to the benefit of their copyright law." This seems so fallacious as to call for no further comment than has been made upon it in an earlier portion of this report. It is impossible, in the view of the

undersigned, that Lord Salisbury's statement of the law should be construed as a promise for all time, or for any time. But if, by this statement, it is intended to be inferred that the United States will hold, at such high value the market of Canada which they are now able to control, as to refuse copyright to British authors if that market be not continued to them, the demand for redress on the part of Canada will be more emphatic than ever, because the inquiry will arise whether it is proposed to place an important commercial interest of Canada at the disposal of a privileged class in Great Britain to be bartered for privileges to that class in a foreign country. It will be necessary to consider at once how long the market of Canada is to be thus controlled, and whether it is to be finally settled that Canada is to be placed at a disadvantage as compared with other countries in her neighbourhood because her people have retained connection with the Empire, which they have so long done from very different motives than those of self-interest.

The next objection is that the confirmation of the Canadian Act "would be inconsistent with the policy of making copyright independent of the place of printing"—a "policy—which Her Majesty's Government have for many years been urging the United States to adopt."

It is well known that the United States have never shown a disposition to adopt any such policy. It is difficult to suppose that any well informed person entertains any expectation that they will do so. Her Majesty's Government evidently had no such view when, by Lord Salisbury's "arrangement" with Mr. Lincoln, they conceded to United States citizens copyright privileges throughout the British Empire, without that policy being adopted on the part of the United States, but when, on the contrary, the United States emphatically refused to adopt it. After that arrangement, it is difficult to understand what reason could be suggested to Congress for abrogating a condition (printing in that country) which protects the labour of the United States, to the manifest disadvantage of British labour of the same kind, and yet results in no denial to United States citizens of the privileges which British subjects have. Surely it would not now be urged that Canada should any longer have the granting of her request postponed for the imaginary reason that some better arrangement may be made with the United States, of which there is not the slightest probability, and which would be of very doubtful value, even if obtained, as far as Canada is concerned.

A further objection alleged against the Canadian Act of 1889 is that "it would 'impair the right in Canada, of British 'authors' (meaning, of course, British copyright 'holders'), by whom the Canadian market is principally supplied."

This is a statement of the most doubtful accuracy. The Canadian Act would secure to British copyright holders revenues which would be a hundredfold that now received from Canada; by reason of the collection of the stamp duties, on Canadian reprints, being substituted for customs collections on foreign reprints. If the British author would sell his copyright in Canada; (which he rarely does now, because the purchaser of the United States demands of him that Canada shall be thrown into the bargain), he would find the product of his copyright greatly enhanced under the Act of 1889. It is doubtful, at the present time, whether the United States purchaser pays anything additional to the British author in consideration of the market of Canada, but, certainly, if the market of Canada were purchased by those understanding the trade of this country, the price which the author would receive for the Canadian market would be greater than it now is. If the holder of copyright did not sell the Canadian market he would receive the price from the United States purchaser plus the additional revenue collected under the license in Canada.

One widely read author is known to have sold his right to a great publishing house in the United States. He refused to sell, at that time, the Canadian market to a Canadian purchaser. That condition was exacted of him by the publishing house in the United States which became his purchaser. Subsequently an arrangement was made with the author by a Canadian publisher, by which the latter secured the Canadian market by paying a larger sum for the Canadian right than the United States publishing house had paid for the same privilege in the United States and Canada together.

In any event, Her Majesty's Government should be asked to consider whether the rights of British copyright holders, created under the Statute of 1842, are to continue to be set up as a bar to the rights of the Canadian Parliament and Canadian people, after so repeated a recognition of the fact that the creation of these privileges had become a grievance in Canada, and so long after promises and assurances had been given that that grievance would be redressed. If so it is exceedingly difficult to understand many of the expressions which have been continually made use of in imperial despatches for the last fifty years.

The report of the Committee goes on to state an opinion that "It is doubtful whether the Canadian reader has, under existing circumstances, any ground of complaint at all." That opinion the undersigned cannot concur in. Even when foreign reprints were abundantly produced, that is to say before the passage of the American copyright law, the Canadian reader was obliged to pay a tax for the benefit of the copyright holder which was collected by the customs officers in Canada. That tax was not very burdensome, because the reprints were published at a very low price and the duty was an *ad valorem* impost on the wholesale importation. The Canadian reader is not now in so good a position, because of the generosity of Her Majesty's Government towards the United States citizens which has given the citizens of that country a monopoly of the Canadian market, not only for reprints of the British works which they continually acquire the copyright of, and which the Canadian publisher cannot acquire, but for all United States publications as well. The result of this is that new books have doubled in price in Canada, within the last three or four years, and there is a prospect of further advance.

The report of the Committee goes on to say that "It is the British author and publisher who have a right to complain of the Foreign Reprints Act." On behalf of Canada it is denied that the British author and publisher have reason to complain because they are not permitted, besides locking the Canadian press, to banish British literature from Canada by seizing it in the customs-houses, unless it shall come in the form of a British edition which could not be sold in Canada, save in very small numbers. The British author would have no right to complain of the Canadian Act of 1889, for, as has been shown, his position would be materially improved thereby.

The Committee go on to state that the reality of the grievances of the British author and publisher "was admitted by the Copyright Commission of 1876." The reality of those grievances is not admitted in Canada, but if such grievances ever really existed they are less now, because the effect of the legislation of the United States is to curtail very largely the publication of foreign reprints, and they would be less still under the Canadian Act of 1889, because the trade in foreign reprints would be almost, if not quite, abolished.

It is difficult to understand why this suggestion is made, with regard to the Foreign Reprints Act, unless it were intended as a suggestion in favour of greater restrictions as to copyright than those existing at present, by the repeal of the Foreign Reprints Act. If that were the object of the suggestion, it hardly calls for any remark, in view of the past history of this subject, and in view of the fact that the collection of customs duties in favour of British copyright holders is a matter of increasing inconvenience in Canada and must eventually be abandoned, for reasons which it is not now necessary to state at large.

Another suggestion in the report under review is that "Deprivation of Canadian copyright might be seriously detrimental to the interests of Australian authors, say, 'for instance, of a Melbourne novelist whose works are likely to obtain extensive 'circulation in Canada.' The case is not a very probable one. In the words of the Committee, applied to Canadian authors, it may be 'treated as belonging rather to the future than to the present.' It seems sufficient to say, for the present, that Australians are and, doubtless, always will be, placed on the same footing as other British subjects in all Canadian legislation, but that if it should become, at any time, a question what rights should be enjoyed in Canada by any class of Australians it surely cannot be contended that that question should be decided by the Parliament of the United Kingdom or by the Parliament of Australia, rather than by the Parliament of Canada.

The report under review devotes a paragraph to the interests of the Canadian author, of whom it is said that under the Canadian Act of 1889, he would be deprived of copyright in every country outside of Canada. This would be by no means the case unless imperial legislation were adopted to withdraw from Canadians not only the rights, within the Empire, conceded to all British subjects, but the rights conceded to the people of most foreign countries, under the Berne Convention, which seems a suggestion quite unworthy of a place in this controversy.

The Canadian Parliament has not overlooked the interests of its authors or of any other class. When its speaks, as it has done on the subject, it speaks after full consideration of all the interests involved, and which it is well able to weigh.

The report under review proceeds to discuss at some length the question whether indeed the Canadian publishers have any grievance, and whether such grievance has been enhanced by the Berne Convention. If the Committee had obtained information upon this subject in Canada, where alone the facts are to be found, they could hardly have arrived at the conclusion which they state. The Canadian publisher has never had an opportunity of competing with his rivals in the United States, except in rare cases, as where a Canadian has bought copyright from United States publishers to whom the markets of Canada had been sold by the British copyright holder, and sometimes directly from a British copyright holder.

The effects of the Berne Convention have already been discussed, but the committee could have found abundant evidence in Canada that the grievance of the Canadian publisher has been greatly augmented by every change in the copyright law of the United Kingdom, in recent years. His condition has been made distinctly worse by the Berne Convention and the grievance has been greatly enhanced by the concessions made by Her Majesty's Government to the United States, under the "arrangement" for which this Government was for many years asked to wait as a measure which would give the relief desired.

The report suggests, as has already been remarked, that "the real grievance of the Canadian publishers is that they are undersold by competitors who have the advantage of larger capital and a larger market and in whose favour protective legislation is enforced, against their weaker rivals." In considering this view of the case, too much stress ought not to be laid on the weakness of the Canadian publisher. The fact is that he has not been allowed to compete with his United States rival.

In exceptional cases, where a Canadian publisher has secured a right to his own market, it has been found that books have been produced in Canada at lower rates than in the United States. Numerous instances can be cited of books which were printed in the United States and reprinted in Canada to prove that these books have been sold in Canada at a price eighty per cent below the price of the United States editions. The real grievance of the Canadian publisher, the Canadian type-setter and every other Canadian workman engaged in the production of books, as already stated, is that he is not allowed to compete with his United States rivals, by reason of his being a British subject and, therefore, bound by the copyright legislation of the United Kingdom. It is true, as stated by the Committee, that the United States competitor has a larger market, because the United States publisher of books controls the market of the United States plus the market of Canada; while the Canadian producer has not even the market of Canada, except in the rare cases before referred to, and then he can supply only Canada, being debarred from the United States markets because his book is not printed in the United States.

It is also true that the Canadian publisher is handicapped by the protective legislation of the United States, in favour of the publishing interest of that country, and especially by the obligation on the applicant for copyright to print from type set in the United States, while the citizens of the country imposing that condition are allowed all the advantages of British subjects, and Canadians are denied the right to impose any such conditions as to Canada.

The report under review again makes this statement with regard to the Canadian publishing interest, evidently from erroneous information: "What the Canadian publisher and printer want is to keep out books, cheap or otherwise, not printed or pub-

lished at their own establishments." As a matter of fact, what the Canadian publisher and printer desire to do is to supply the cheap books which the Canadian reader desires. Under the Canadian Act of 1889, a publisher could have no monopoly in republishing copyright books, because the Government would have the right to grant any number of licenses to reprint. Furthermore, the British publisher would still have the opportunity to send his books from Great Britain to Canada.

It must, therefore, be repeated that it is desired that the Canadian publisher be permitted to sell in his own market; a market which, under present conditions, is reserved for the benefit of persons outside of Canada.

The Committee has suggested that "the simplest and most effectual mode of lessening the price of Canadian books would be to remove or reduce the Canadian import duty of fifteen per cent on books."

The undersigned cannot agree with this view. The experience of the past has proved that the simplest and most effectual mode of lowering the price of Canadian books would be to have the Canadian press unlocked and the Canadian publisher and printer permitted to produce books.

The removal of the Canadian import duty would undoubtedly be an additional boon to the publishers and printers of the United States, but the undersigned ventures to think that the interests of that class have been, already, sufficiently cared for and do not require additional advantages from the Government of Canada.

The argument in favour of reducing the Canadian import duty in order to cheapen books is somewhat in contrast with another statement in the report under review, viz., the declaration that the royalty to copyright holders proposed by the Act of 1889 should be greatly increased and that more stringent methods of taxation should be adopted in order to secure the collection of the tax.

In paragraph 56, the committee suggest that "the amount of royalty might perhaps be fixed at fifteen per cent, so as to correspond with the amount of the existing import duty on books and that the royalty might be levied by means of a stamp on each copy, so that if unstamped books were offered for sale they should be liable to seizure.

It seems to be implied from this that the import duty and the tax in favour of the copyright holder should be equal, and it would then follow that a reduction of the import duty, as advised by the Committee, would at any time be accompanied by a reduction of the copyright holder's royalty.

The intimation contained in paragraph 57 of the Committee's report, that such Canadian legislation as is required should be confined to books, is not acquiesced in by the undersigned. It is true, as stated, in the report of the committee, that copyright in musical, dramatic and artistic works raises a very difficult question, but the right of the Canadian Parliament to receive the power of self-government with respect to those matters is surely as plain as it is in relation to books. The demand to have that right conceded is surely not too difficult to be understood by statesmen of a country which has granted that right, freely, in relation to all other commodities.

The Committee in their report under review, have stated various objections to the details of the Canadian Act of 1889. These objections, in the view of the undersigned, are not maintainable. They say: "That twelve months might be allowed as a reasonable time" (to the copyright holder) "for cheap reproduction, and during that time the imperial copyright should remain unimpaired." In reply to this it must be said that in less than twelve months the Canadian market would be flooded with American reprints and the sale of the book would be over. The report then says that the royalty "might perhaps be fifteen per cent, so as to correspond with the amount of the existing import duty on books." In the view of the undersigned, the Canadian proposition of ten per cent royalty on each copy would yield much larger returns than the one proposed, which would be fifteen per cent *ad valorem* on the quantity imported, at wholesale rates. Such is obviously the meaning of the proposition of the Committee as is seen by reference to the import duty which is an *ad valorem* duty on the wholesale rates.

The ten per cent royalty proposed by the Canadian Parliament would be imposed on the retail price of each book and would take the place of the twelve and a half per cent now collected by customs on wholesale rates, *ad valorem*, for the benefit

of the copyright holder. An example may be taken to illustrate. A book issued last year cost, when imported from the United States, \$22 for one hundred copies. The duty at twelve and a half per cent was \$2.75. The retail price of the book being fifty cents, the royalty therefrom at ten per cent (as it would be if the book were republished in Canada), would be \$5. Thus securing a gain to the copyright holder of nearly one hundred per cent.

The undersigned, however, does not deem this a proper place to discuss the details of the Canadian Act; as he does not deem it the proper place to discuss the legal rights of the Canadian Parliament to pass that Act. What the Canadian Parliament and Government desire is that the right of the Parliament of Canada to legislate on this subject shall be relieved of all doubt; and there would still be left to Her Majesty's Government the same constitutional right which it has with regard to all legislation in Canada, and which, it is submitted, is sufficient to secure every reasonable requirement for the security of Imperial interests.

The undersigned stated, in his letter to Lord Knutsford in 1890, that a most respectful consideration would be given to any suggestions for the improvement of the Canadian Act of 1889 which His Lordship might think proper to make, after hearing all that might be advanced on both sides. It would seem only reasonable, at the present time, however, that after all that has taken place some step in advance should be taken towards removing Canadian grievances beyond the mere routine of inquiries, reports and suggestions. It was hoped that that stage had been reached when the report of the Royal Commission of 1876 was made, especially in view of the fact that the report of that commission was so favourable to Canadian claims.

Respectfully submitted,

(Sgd.) JNO. S. D. THOMPSON,

OTTAWA, JAN., 1894.

Minister of Justice.

(*Letter from Sir John Thompson to Lord Knutsford.*)

WESTMINSTER PALACE HOTEL,

LONDON, S.W., 14th July, 1890.

MY LORD,—In the report which I had the honour to make to His Excellency the Governor General of Canada in Council on the subject of copyright in Canada, dated the 3rd of August, 1889, and which was approved by His Excellency and transmitted to Your Lordship, it was asked that His Excellency's Government might be allowed to discuss the questions dealt with in that report at further length, and in further detail, if necessary, as they involved grave questions of great consequence to Canada, not only with respect to copyright, but in relation to the powers of the Parliament of the Dominion.

Having had the privilege to-day of carrying on that discussion, to some extent, with Your Lordship, I avail myself of the permission accorded me at our interview to place in writing before you some of the arguments which I am instructed by the Government of Canada to advance, in amplification of my report above mentioned.

In your Lordship's despatch of the 25th of March, 1890, in reply to the observation in that report, you called the attention of the Government of Canada to some provisions of the Copyright Act of Canada of 1889, to which you stated that special objection was felt by the proprietors of copyright in Great Britain. One of these was the limit of time [one month] allowed for the British author or publisher to republish in Canada, after publication in Great Britain. Your Lordship had been assured that in a great majority of cases it would be impracticable, within the period of one month, to make the necessary arrangements for republication in Canada, and expressed the hope that upon further consideration it might be recognized that the time proposed was insufficient. Upon this point, as well as to other details of the Act, it is unnecessary to trouble your Lordship with any argument at the present moment. The questions to be settled first, and to which I understand your Lordship to wish that I shall address myself, relate to the principle of the Act and to the power of the Government of Canada to pass it. Any details which are felt to be unfair or inadequate, in view of all the interests involved, will, I am sure, be reconsidered by the Parliament of Canada.

Colonial Conference.

At the same time I may observe that it is contended on the part of those who are interested in the publishing business in Canada, that the time referred to is not unreasonably short, and that the holder of copyright in the United Kingdom can easily make arrangements for simultaneous production in the two countries, so as to have republication made in Canada within the time specified in the Act. The time for republication must necessarily be of short duration, because during that period the importation of foreign reprints of the work, as the republication in Canada by other than the copyright holder in Great Britain is prevented, pending the exercise of the option by him as to whether he will avail himself of the Canadian copyright law or not.

On this and all other matters of detail, any suggestions which your Lordship may think proper to make will, I am sure, receive the earnest and respectful attention of the Canadian Government.

Your Lordship's despatch refers His Excellency's government, for some particulars of the objections which had been pressed on you, to a letter dated "Aldine House, Belvedere, Kent, February 20th, 1890," supposed to have been addressed to me, signed by Mr. F. R. Daldy, Hon. Secretary of the Copyright Association, but I have been unable to gather much information from that letter as to the objections which are entertained in England with regard to the Canadian Act of 1889. Mr. Daldy, and the association which he represents, are hostile to any measure by which the right of any colony to self-government on this subject may be asserted or conceded, and his letter suggests an entire abandonment of the legislation of 1889, and the adoption of further measures to carry out more strictly the existing law, which is so unsatisfactory in Canada. I may mention here, in case the fact should be of any importance, that I know Mr. Daldy's letter only by the copy appended to your lordship's despatch. If Mr. Daldy has ever sent such a letter, it has never reached me.

Coming now to a statement more in detail, than could be made at our interview, of the views which prevail in Canada on this subject, I am charged by the Canadian Government to express to your Lordship, in the strongest terms which can be used with respect, the dissatisfaction of the Canadian Government and Parliament with the present state of the law of copyright as applicable to Canada, and to request most earnestly from Her Majesty's Government that they will apply a remedy, either by giving approval to a proclamation to bring the Canadian Act of 1889 into force, or by promoting legislation in the parliament of Great Britain to remove any doubt which may exist as to the power of the parliament of Canada to deal with this question fully and effectually.

Your Lordship is aware that the Statute of 1842 (5 and 6 Victoria, chap. 45) is the Imperial Statute by which copyright in Great Britain is extended to all the colonies and dependencies of the Empire.

Any principles of common law by which authors and publishers might have claimed copyright were superseded by that Act, and copyright was given to any person who should publish a literary work in the United Kingdom, if he should be a subject of Her Majesty, or a resident of any part of Her Majesty's dominions.

I need not remind your Lordship that the operation of that Act was immediately attended with great hardship and inconvenience in the North American colonies.

The Legislature of the province of Canada, in the year 1843, passed a series of resolutions expressing a strong remonstrance, and nearly all the other legislatures in North America followed.

The Legislature of Nova Scotia, in 1845, memorialized Her Majesty for a modification of the Act. They stated that the high price of English books, and the monopoly of London publishers, which were felt to be serious grievances in the United Kingdom, but mitigated there by the periodical sales by some of the publishers and by the wide establishment of circulating libraries, clubs and reading societies, were intensified in the colony, where the importation of English editions of new books was confined to a few copies for the use of libraries and wealthy individuals, that the readers of the colony were usually supplied by American reprints of English books, and that any law of copyright to prevent the importation of such reprints could not be enforced and would be ineffectual even to extend the sale of English copies beyond the previously existing demand.

The Legislature of Nova Scotia at that time pressed upon Her Majesty's Government, not only a consideration of the general advantages of literature upon the minds of the people, but the evil tendency of the literature of a foreign, and often hostile, country, like the United States, in forming the political opinions and the tastes of the people in the provinces.

On the 27th November, 1845, Lord Stanley, Her Majesty's Principal Secretary for the Colonies, replied to this memorial from Nova Scotia, intimating that the attention of Her Majesty's Government was being directed to the state of the copyright law, in order to discover if there were any particulars in which the law might be so amended as to afford any relief to the colonies, "without promising that parliament would be recommended to alter its determination to afford protection to the authors and publishers of Great Britain of their right of property in their own productions."

On the 13th March, 1846, the Legislature of Nova Scotia again adopted a report which was transmitted to the Right Honourable Secretary of State for the colonies.

That report stated that attention had been given by the Committee to the despatch of Lord Stanley, dated the 27th November, 1845, and that they were convinced "that the practical effects of the Copyright Act were to deprive the people of the colonies of literature, whose means rendered them unable to purchase costly books issued from English publishing houses, to diminish the revenue and to encourage smuggling, without producing any corresponding benefit to the author."

These remonstrances drew from the Right Honourable Mr. Gladstone, the Secretary of State for the Colonies, a representation to the publishing trade in England that "they must be induced to modify any exclusive view which might still prevail with regard to this important subject."

At length on the 19th October, 1846, Sir Stafford H. Northcote, by direction of the Lords of the Privy Council for Trade, reviewing the contentions, which had been thus pressed upon the Home Government by the legislatures of the colonies, made the following recommendation to the Colonial Office:—

"Under these circumstances, my Lords see no course so likely to be successful as that of inviting the colonial legislatures themselves to undertake the task of framing such regulations as they may deem proper for securing at once the rights of authors and the interests of the public. My Lords feel confident that they may rely upon the colonies being animated by a sense of justice which will lead them to co-operate with this country in endeavouring to protect the author from the fraudulent appropriation of the fruits of labours upon which he is often entirely dependent, while they entertain a sanguine hope that methods may thus be discovered of accomplishing this important object with the least possible inconvenience to the community.

"I am accordingly directed to request that you will suggest, for Lord Grey's consideration, whether it might not be desirable to obtain from Parliament an Act authorizing the Queen in Council to confirm, and finally enact, any colonial law or ordinance respecting copyright, notwithstanding any repugnancy of any such law or ordinance to the copyright law of this country, it being provided by the proposed Act of Parliament that no such colonial law or ordinance should be of any force or effect until so confirmed and finally enacted by the Queen in Council, but that, from the confirmation and final enactment thereof, the copyright law of this country should cease to be of any force or effect within the colony in which any such colonial law or ordinance had been made, in so far as it might be repugnant to, or inconsistent with, the operation of any such colonial law or ordinance.

"I am, &c.,

[Signed] "STAFFORD H. NORTHCOTE."

Colonial Conference.

The following is the reply of the Colonial Office to the Board of Trade, dated 20th October, 1846 :—

"Colonial Office to Board of Trade.

"DOWNING STREET, 30th October, 1846.

"SIR,—I HAVE laid before Earl Grey your letter of the 19th instant respecting the operation of the imperial law of copyright in the British North American colonies.

"His Lordship directs me to acquaint you for the information of the Lords of the Committee of the Privy Council for Trade, that he concurs in the views expressed in your letter on the subject, and that it is in his opinion preferable, and the repeated remonstrances which have been received from the North American colonies on the subject of the circulation there of the literary works of this kingdom, to leave to the colonial legislatures the duty and responsibility of enacting the laws which they shall deem proper for securing the rights of authors and the interests of the public.

"Lord Grey, therefore, directs me to request that you would move the Lords of Committee of Privy Council for Trade to take such measures as may be expedient for submitting to the consideration of Parliament in the ensuing session a bill authorizing the Queen in Council to confirm and finally enact any colonial law or ordinance which may be passed respecting copyright, notwithstanding the repugnancy of any such law or ordinance to the copyright law of this country, and containing also the provisions mentioned in your letter in respect to the period at which such colonial law should come into operation.

"I am, &c.,

"(Signed) B. HAWES."

Thereupon, the following circular despatch was sent by Earl Grey to all the governors of the North American colonies :—

"Earl Grey to the Governors of the North American colonies.

(Circular.)

"DOWNING STREET, November, 1846.

"SIR,—Her Majesty's Government having had under their consideration, the representations which have been received from the governors of some of the British North American provinces, complaining of the effect in those colonies of the imperial copyright law, have decided on proposing measures to parliament in the ensuing session, which, if sanctioned by the legislature, will, they hope, tend to remove the dissatisfaction which has been expressed on this subject, and place the literature of this country within the reach of the colonies on easier terms than it is at present. With this view, relying upon the disposition of the colonies to protect the authors of this country from the fraudulent appropriation of the fruits of labours upon which they are often entirely dependent, Her Majesty's Government propose to leave to the local legislatures the duty and responsibility of passing such enactment as they may deem proper for securing both the rights of authors and the interests of the public. Her Majesty's Government will accordingly submit to parliament a bill authorizing the Queen in Council to confirm and finally enact any colonial law or ordinance respecting copyright, notwithstanding any repugnancy of any such law or ordinance to the copyright law of this country, it being provided by the proposed Act of parliament that no such law or ordinance shall be of any force or effect until so confirmed and finally enacted by the Queen in Council, but that from the confirmation and final enactment thereof, the copyright law of this country shall cease to be of any force or effect within the colony in which any such colonial law or ordinance has been made, in so far as it may be repugnant to, or inconsistent with, the operation of any such colonial law or ordinance.

"I have, &c.,

"(Signed)

GREY."

After a lapse of more than forty years, I am charged with the duty of reminding your Lordship that the promise contained in that despatch of Earl Grey has never been fulfilled, and respectfully to ask its fulfilment at the hands of your government. The lapse of time which has intervened has strengthened tenfold every one of the reasons which induced it to be made. At the date of that despatch, responsible government had hardly been established in the North American colonies, now those colonies have had forty years' experience of self-government, and have a united parliament, under a most liberal constitution, a parliament possessing great powers and responsibilities, among which is expressly mentioned the subject of copyright.

The experience which has been gained of colonial legislation has, I hope, not lessened the confidence of Her Majesty's Government in the disposition of that parliament to deal justly with the interests which have been intrusted to its care, and to carry out the views of Her Majesty's Government in matters of imperial policy as far as possible.

Again, the inconveniences which were pressed on the consideration of Her Majesty's Government forty-seven years ago by the colonial legislatures have increased, notwithstanding the partial measure of relief which was accorded three years after Earl Grey's despatch, and which permitted the importation of foreign reprints of British copyright works. The price of British publications still exceeds six or seven-fold, that for which reprints are purchased in America. The system of circulating libraries and periodical sales, which gives to the British reader the benefit of British literature, has found no place in the colonies, while in Canada the means of reprinting British publications is now, though it was not then, entirely adequate to the wants of the reading public, if it be permitted to carry on operations, with a reasonable regard for the interests of British copyright holders.

In part fulfilment of the promise of Her Majesty's Government, made known through Earl Grey in the despatch above quoted, the Imperial Statute of 1847 was passed, authorizing Her Majesty, by Order in Council, to suspend that portion of the Act of 1842 which prohibited the importation of foreign reprints of British copyright works, as to any colony in which the proper legislative authority should be disposed to make due provision for securing and protecting the rights of British authors in such possession.

In the years 1848-50 Her Majesty in Council made Orders in Council suspending the prohibition contained in the Act of 1842 against the importation of such foreign reprints, the legislatures of the North American colonies having, in the meantime, provided for the collection of an impost on such foreign reprints, in favour of the author or copyright holder. This partial measure, although not a fulfilment of the promise of Earl Grey, met the principal grievance felt at that time in the North American colonies, namely, the grievance of being deprived of British literature, which could practically only be supplied to the colonies by American reprints, the publishing business of the colonies being then in its infancy.

For a time, the complaints of the colonies against the Act of 1842 ceased, in consequence of this remedial measure, but for the last twenty years and upwards the operation of the Act of 1842 even with the remedial provisions of 1847, has been seriously felt and has formed the subject of almost constant complaint. In the quarter of a century which followed the Act of 1842, new conditions of trade and commerce developed. The people of the North American provinces had not only become used to self-government, by the liberal policy of Her Majesty's Government in giving them free legislative constitutions, but they had become more independent of American industries. The necessity for encouraging native industries, instead of relying on those of the United States had also become very apparent.

The following are instances of the serious inconvenience experienced by the operation of the imperial copyright laws in North America.

The reading public of what is now the Dominion of Canada has been principally supplied with British literature by American reprints. The high prices of British editions has made this unavoidable. In spite of the pointed and repeated warnings to British publishers given by the Colonial Office for forty years, very little has been done to

change this state of things by providing cheap editions of British works. Even to this day the English editions cost from four to ten-fold the price of American reprints. The result is that the business of publishing British literature for the Canadian reading public is done almost exclusively in the United States. The American publisher, unrestrained by any international copyright law or treaty, is free to reprint any British work and to supply it, not only to the reading public of the United States, but to the reading public of Canada, while the Canadian publisher is not free to reprint any such work on any terms, unless he can obtain the permission of the holder of the copyright in Great Britain. In some noted instances this has actually led to the transfer of printing establishments from Canada to the United States.

In other cases, English publishing houses have set up branches in New York, or other American cities, with the view of reprinting for the United States and Canada the copyright works which they have issued in London. It has been their interest to establish such branch houses in the United States, because they have obtained thereby the American market, whereas in Canada, even with the permission of the holder of the copyright, they would only have the Canadian public for purchasers, and, without that permission, could not set the type of a single page.

In many other well-known instances American authors in the United States have availed themselves of the restrictions which fetter the publishing trade in Canada, under the Imperial Copyright Acts, in a manner which is most unjust to British subjects in Canada, and presents in a striking view the arbitrary and oppressive operation of those Acts. They do so in the following manner: The Imperial Act of 1842, as interpreted by legal decisions, enables any person who resides, even temporarily, in British dominions, to obtain copyright if he publishes his work in the United Kingdom, and such copyright has force throughout the Empire. "Publishing" has been held not to mean printing necessarily, and residence may be of the most temporary character. The American authors above referred to, for the purpose of preventing their works being reprinted in the British dominions, cross the St. Lawrence, reside for a few days within the Canadian territory, send to London a few copies of their works ready to be issued there, and thereupon obtain copyright throughout the Empire. They then return to their own country, where their works have been printed and copyrighted, and send into Canada those works in the shape of foreign reprints of British copyrights, and on these the Canadian Government collects the impost in favour of the American publishers who thus enjoys copyright in his own country which is not open to any British subject, and enjoys, in the British dominions, a right of reprinting which no colonist can obtain. While this state of the law is being constantly made use of by American authors, the United States decline to enter into any international arrangement with Great Britain, and have no interest in making any, because their people can thus use the British Empire for their market without restriction, while offering no advantage in their own market in return. On the contrary, they refuse copyright to any one who is not a citizen of the United States, or who is not able to show residence, in the sense of domicile.

An American publisher, if he desires to make any arrangement with the British copyright holder for the right to reprint the work of the latter, can easily outbid the Canadian publisher not only on account of the greater facilities he possesses for the production of the book, not only on account of the more extended market which he has in the United States, but because he will have the Canadian market of five millions of readers at his command, inasmuch as the Imperial Copyright Acts forbid the reprinting of copyrighted works, but permit the importation of American reprints. In many modern instances, the British copyright holder has preferred to sell his right to an American publisher rather than to a Canadian, and has bound himself by the terms of sale to prosecute any Canadian who may reprint his work for sale in Canada, which is the operation which the American sets himself about at once.

The instances in which Canadian publishers have been able to make arrangements with copyright holders in Great Britain have been comparatively few. It is unnecessary to seek for the reason of this. It is not because Canadian publishers are unwilling to make fair terms with the British copyright holder, but because American publishers

have greater facilities, and because British authors prefer to deal with publishers in the United States. It is useless to say that it may be made to their interest to deal with Canadian publishers, or to issue colonial editions. Pressure, for forty years, by the people of British North America, and remonstrances from the Colonial Office, have been unavailing to change their practice in regard to a policy, so entirely prudent, as that of providing for the wants of the reading public of British North America.

Having stated these facts, illustrative of the inconvenience imposed on Canada by the Imperial Copyright Acts, your Lordship, I hope, will appreciate the urgent desire of the Canadian Government, that a remedy should be applied as soon as possible. If the principal supply, for the reading public of Canada, must, by virtue of imperial legislation, come from the United States, it follows that the business of publishing for Canada is far more restricted than it ought to be, considering the wants of the people of that country, and the means they have of supplying themselves, and it follows that encouragement is continually being given, in an increasing degree, to all those who are engaged in any of the employments which form part of book-making, to seek a home for themselves and their families in the United States, in preference to Canada. Over-weighted as we continually are, by reason of the vast competition of the United States in every branch of trade, industry and commerce, your Lordship will not wonder at our being disposed to complain when, in regard to so important a matter as the furnishing of literature for our people, we are hindered by a monopoly, nominally in favour of the London publishers, but really and practically in favour of the publishers in the United States, and when we are held in that position by virtue of an Imperial Statute passed nearly half a century ago, when the wants and capabilities of the people of British North America were greatly different from what they are now, when the population of British North America was only a fraction of what it is now, and when the powers of its people, as regards self-government, had hardly begun to exist, while they are now fully developed.

I proceed now to show that the request which I am urging upon your Lordship, by direction of the Canadian Government, was pressed on Her Majesty's Government immediately after the Dominion of Canada was established, has been pressed at many times since and has always been met in a manner which justifies the hope that compliance with our request will not now be longer delayed.

On the 15th May, 1868, the Senate of Canada passed an humble address to His Excellency the Governor General, as follows :

"THE SENATE, 15th May, 1868.

"1st. To call the attention of Her Majesty's Government to the provisions of the Imperial Act 10 and 11 Vic., c. 95, by which power is given to Her Majesty to approve of any Act passed by the legislature of any British possession, admitting into such possession foreign reprints of British copyright works, provided that reasonable protection to the authors is, in Her Majesty's opinion, thereby secured to them.

"2nd. To impress upon Her Majesty's Government the justice and expediency of extending the privileges granted by the above cited Act, so that whenever reasonable provision and protection shall, in Her Majesty's opinion, be secured to the authors, colonial reprints of British copyright works shall be placed on the same footing as foreign reprints in Canada, by which means British authors will be more effectually protected in their rights, and a material benefit will be conferred on the printing industry of this Dominion.

"Ordered, That such members of the Privy Council as are members of this House do wait on His Excellency the Governor General with the said address.

"Attest.

(Signed.) "F. TAYLOR.

"Clerk, Senate."

In June, 1868, Mr. Rose, then Canadian Minister of Finance, being in London, was referred to by the Colonial Office for information on the subject of this address, and in a memorandum, dated the 30th of that month, he stated, briefly, the inconveniences

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which were felt in Canada, and he declared the desire of Canada to be, in accordance with the address of the Senate, that the Canadian publisher be permitted to reprint English copyrights on taking out a license, and paying an excise duty, effectual checks being interposed, so that the duty on the number of the copies actually issued from the press should be paid to the Canadian Government by such publishers for the benefit of the author.

A letter from the Colonial Office to the Board of Trade stated that consideration ought to be given to the course which should be taken with regard to the recommendation of the Senate of Canada, that colonial reprints of copyrighted works be placed on the same footing as foreign reprints in the Dominion, and the Duke of Buckingham and Chandos, then Her Majesty's Principal Secretary of State for the Colonies, would be glad to be informed whether the memorandum submitted was sufficient to enable their Lordships of the Board of Trade to form an opinion on this question.

On the 21st July, 1868, His Grace informed the Governor General of Canada, that he was in communication with the Board of Trade, with regard to the recommendation of the Senate, and would apprise His Excellency of the result, so soon as he was placed in possession of their Lordships' views.

The reply of the Board of Trade, dated 22nd July, 1868, was that the question raised was far too important and involved too many considerations of imperial policy to render it possible to comply with the desire expressed by the address of the Senate, that legislation should be obtained during the then present session of parliament.

It was further stated to be most desirable that the Canadian question should be considered in connection with any negotiations with the United States with regard to copyright. The letter contained the following paragraph which stated in substance the disposal of the question at that time ;

"My Lords, however, fully admit that the anomalous position of Canadian publishers with respect to their rivals in the United States of America, is a matter which calls for careful inquiry ; but they feel that such an inquiry cannot be satisfactorily undertaken without at the same time taking into consideration various other questions connected with the imperial laws of copyright, and the policy of international copyright treaties, and they are, therefore, of opinion that the subject should be treated as a whole, and that an endeavour should be made to place the general law of copyright, especially that part of it which concerns the whole continent of North America, on a more satisfactory footing."

The Duke of Buckingham and Chandos on the 31st July, 1868, sent the Governor-General of Canada the following formal reply :

"Your Lordship will perceive that any immediate legislation on the matter was impossible, but that the anomalous position of the question in North America is not denied, and that it is admitted that the law of copyright generally may be a very fit subject for further consideration."

On the 9th April, 1869, the Government of Canada again moved in the matter, transmitting to the Colonial Office a memorandum by the Minister of Finance in reply to the communication from the Board of Trade above referred to, and on the 27th July, 1869, the Board of Trade made an extended reply, to which I beg to refer your Lordship, as showing that the request which had been made from Canada in 1868, and which is still being pressed, was not controverted on its merits, but was deferred in the hope that presently some international arrangement might be made with the United States and under the impression that it would be unwise to deal with the Canadian question while the probability of such an arrangement was in view. The following passage from that communication bears this out, and sets forth a summary of the conclusions at which the Lords of Trade had arrived :

"Under these circumstances the balance of the argument is, in the opinion of the Lords of Trade, against any immediate adoption of the Canadian proposal. The truth is that it is impossible to make any complete or satisfactory arrangement with Canada unless the United States are also parties to it. Whatever protection is to be given to authors on one side of the St. Lawrence must, in order to be effectual, be extended to the other ; and it is consequently impossible to consider this question without also con-

sidering the prospects of an arrangement between Great Britain and the United States. There are symptoms of the possibility of such an arrangement. In 1853-54, an International Copyright Convention was signed between the two governments, but was allowed to drop. In the last session of the United States Congress a bill was introduced providing for international copyright in the United States. It required republication and reprinting in the United States as a condition of copyright there, and it was in this respect objectionable. But the correspondence showed that there was a considerable interest in the question, and it was evident that the Americans were feeling the want of an international arrangement on the subject."

Accordingly on the 20th October, 1869, Earl Granville informed the Governor General of Canada that the matter was one of some difficulty, and that Her Majesty's Government felt it necessary to obtain further information before deciding on the proposal of the Canadian Government, but that, in the meantime, action might be taken as to a portion of the imperial law which was not affected by the difficulties surrounding the present question, namely, that while, by the present law, publication in the United Kingdom gave copyright throughout the Empire, publication in a colony could not give rights outside the limits of the colony; and he stated that Her Majesty's Government were prepared to take steps, during the next session, to amend the law in that particular.

On the 20th December, 1869, the Governor General of Canada transmitted a number of documents, one of which was an address which he had received from the Typographical Union of Montreal, setting out in strong terms the prejudicial effects of the Imperial Copyright Acts in Canada. His Excellency had promised, in reply, that he would not fail to draw the attention of the Privy Council to the point thus raised.

His Excellency also transmitted at the same time, a report from the Minister of Finance on the first communication from the Board of Trade above mentioned.

The Minister remonstrated against the Canadian request being delayed for the action of the United States. He said: "In reference to the second objection urged against the desired change in the law, the undersigned is ready to admit that Canada ought not to ask for, and should not expect to receive any privilege which could reasonably be held to prejudice, or postpone the satisfactory adjustment of the great question of international copyright between England and the United States. But he is unable to see how the change in the law asked for could have any such effect, especially if it were decided that the privilege accorded to Canadian publishers should be provisional and temporary, to determine on the conclusion of an international treaty of copyright between the two countries."

"Under such limitations would not the granting of the privilege asked for on behalf of Canadian publishers operate rather to bring about the conclusion of an international copyright treaty, than to postpone or prevent it? If Canadian publishers were placed on the same footing as their American rivals the latter would be, to a very great extent, deprived of the pecuniary benefits resulting to them, in the absence of any international copyright treaty from their piracy of the works of English authors."

On the general question which I have already discussed, the minister made use of the following expressions, which I cite for the purpose of showing that they are not now advanced for the first time to Her Majesty's Government, and that these are not newly discovered grievances:

"At present the Canadian public are mainly dependent on the supply, even of foreign literature for which a copyright may be obtained in England, on the reprints from the United States.

"It may be argued in answer to these objections that the Canadian publisher may make arrangements with the author for permission to publish; but as the law now stands there is no motive or inducement either for the author to concede, or the publisher to obtain this sanction; the author has already made, or can make his arrangements with the foreign publisher, who knows that circumstances will give him a large circulation in the Canadian markets, and that even the slight proportion of duty collected will be paid by the Canadian reader, because republication is there forbidden.

"At present the foreign publisher, having a larger market of his own, and knowing the advantages of access to the Canadian market, can hold out greater inducements to the author than the colonial publisher, and can afford to indemnify the author for agreeing to forego taking out any copyright and to abstain from printing in Canada."

The Minister concluded his report, which had the approval of His Excellency in Council, as follows:—

"Having considered the arguments advanced against the modification of the copyright law asked for in the address of the Senate, the undersigned would recommend that the attention of the imperial authorities be once more invited to the subject, and that they may be earnestly requested to accede to the application of the Senate, upon the understanding, if thought proper, that the change in the law, if made, should be temporary, to be determined upon the conclusion of any international copyright treaty between England and the United States.

"In conclusion the undersigned may be permitted to note the fact that, during the last few months, the present subject has been largely discussed in the leading journals of Canada as well as at public meetings. The public sentiment throughout the country is, that the privilege asked for is fair and reasonable in itself, and that the granting of it would not only promote the interests of the English authors, but give an impetus to the publishing and printing trade, and other cognate branches of Canadian industry, and would be calculated to increase the circulation in Canada of the best British works, and to foster the literary tastes, and develop the literary talents of the Canadian people."

At this stage the British publishing interest intervened, and pressed upon the Lords of Trade, who in their turn pressed upon the Colonial Office the propriety of compelling the colonies to accept the modification of the imperial copyright laws which had just been offered to them without any demand for concession in return, and which was obviously required by the commonest principles of justice, namely, the concession of publication in the colony should be equivalent of publication in Great Britain, on condition only that the colonies should give up their right accorded under the Act of 1847 to import foreign reprints.

When so little was being conceded, in answer to the repeated requests of Canada for the right to supply our people with reprints, it would have been doubtful whether the Canadian Government would have expressed its acquiescence in a measure so comparatively unimportant, but when that concession became coupled with a condition which would have made the Imperial Copyright Acts absolutely unbearable and unenforceable, only one reply was possible, and that reply was the one which was transmitted from Canada on the 1st of July, 1870, stating that while there could be no objection to the proposed bill, making publication in the colony equivalent to publication in the United Kingdom, taking into consideration the suggested repeal of the Imperial Copyright Act of 1847, it was highly inexpedient that legislation should take place at that time.

Lord Kimberley requested the Governor General of Canada on the 29th July, 1870, to forward to him a full statement of the views of the Canadian Government on the question, in order that it might be considered before the next session.

Accordingly, on the 30th November, 1870, a joint report of the Ministers of Finance and Agriculture was adopted by His Excellency in Council, the substance of which is contained in what here follows:—

"What the undersigned would venture to suggest is that the duty on the reprints of books first published either in Great Britain or its dependencies, when imported from foreign countries, should be materially increased; and that it should be levied in all cases for the benefit of the author or owner of the copyright, should such exist; and that to prevent evasion of the law a declaration should be required from importers, that any works which they may claim to import free of such duty have never been published either in Great Britain or in British dependencies; that foreign reprints of works published in Canada should be wholly prohibited; that any author publishing in Canada should be, as at present, protected in his copyright, but that unless British copyright works should be published concurrently in Canada, licensed Canadian publishers should be allowed to publish, paying, for the benefit of the author or owner of the English

copyright, an excise duty, which could be collected by means of stamps as easily as other duties of a similar kind. The undersigned have no doubt that such a scheme as that which they have suggested could be carried into practical effect with great advantage to the English authors, who, as a rule, would sell their copyrights for Canada to Canadian publishers. It is true that British publishers would not gain that colonial circulation which they have long tried to obtain without success; but it is vain for them to expect that the expensive editions published in England can meet a sale in any part of the American continent.

"The undersigned therefore, recommend, that Your Excellency should acquaint Her Majesty's Principal Secretary of State for the Colonies, that there is no probability of the Dominion Parliament consenting to any measure for enforcing British copyright in Canada, unless it provides for local publication; and that while the Canadian Government will be ready to introduce a measure that will be of great advantage to British authors, they must, in reference to foreign reprints, have regard to the interests of Canadian as well as the British publishers."

In 1872 the Government of Canada were still without a definite reply to the request which had been made by the address of the Senate in 1868, and which had been reserved, as above stated, by Her Majesty's Government until further information could be gathered, and until the result of negotiations with the United States might be known.

On the 14th of May of that year, the following report of a Committee of the Privy Council of Canada was approved by the Governor General and transmitted:

"On a memorandum, dated 10th of May, 1872, from the Honourable the Ministers of Finance and Agriculture, reporting that much anxiety had been manifested by Houses of the Canadian Parliament on the unsatisfactory state of the Imperial Copyright Act, that as no reply had yet been received to the approved report of the Committee of the Privy Council, dated 1st of December, 1870, they think it desirable that the attention of Her Majesty's Government should again be called to the subject.

"That they have reason to believe that a good deal of discussion has taken place in England among the parties interested in copyright, and that the result of that discussion has been a considerable accession to the ranks of those who are in favour of the proposition submitted by them in the report already referred to.

"That it is apparent that the class which alone has a just claim to protection, viz., authors, have at length been convinced that their interests are not promoted by the maintenance of the present system.

"That it is no doubt true, that the principal owners of copyrights are the London publishers, but it is, they state, equally true that those publishers have never paid to the authors one single pound more for their copyrights in view of circulation in Canada.

"That it cannot be denied that the Canadian demand for concurrent publication in Canada should alone entitle the author to the benefit of copyright. That under the present system, which is wholly indefensible, and which is objected to, as well by the English publishers as by the Canadian publishers, the latter are treated with the greatest injustice.

"That it has long been the custom for the owners of English copyright to sell to American publishers advance sheets of their works, and when Canadian publishers have offered to acquire copyright in Canada by purchase, they have been told that the arrangements made between English and American publishers were such as to prevent negotiations with Canadians.

"That Canada has passed a law by which British authors can secure copyright in Canada, and has further expressed a readiness, where authors do not choose to take out copyright, to secure adequate compensation to them by means of an excise tax on all English copyright works for the benefit of the authors.

"They, the ministers, recommend that a further appeal be made to Her Majesty's Government to legislate upon this subject without further delay.

"The Committee concur in the foregoing report, and submit the same for your Excellency's approval."

In the session of the Canadian Parliament of 1872, a copyright bill was passed, in substance and principle like the Act of 1889. This was reserved by the Governor for the signification of Her Majesty's pleasure.

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In May, 1874, the pleasure of Her Majesty not having been communicated, and in view of the fact that the two years, within which the royal assent might be given to it would expire on the 14th of June, 1874, addresses to His Excellency the Governor General were presented by the Senate and by the House of Commons, respectively, asking him to convey to Her Majesty's Principal Secretary of State for the Colonies the respectful expression of the necessity felt by the Senate and the House of Commons, that the bill passed in the session of 1872 should not be allowed to lapse, by the expiry of the two years' limitation, specified in the 57th section of the British North America Act of 1867, and begging to assure His Excellency that important interests in the Dominion were prejudiced by the absence of legislation such as that bill contemplated.

The answer was communicated on the 15th of June, 1874, by Lord Carnarvon, stating that the Imperial Act of 1842 was still in force throughout the British dominions in so far as to prohibit the printing of a book on which copyright subsisted under that Act, and that he had been advised that it was not competent for the Parliament of Canada to pass such a measure as the Act of 1872, inasmuch as its provisions would be in conflict with imperial legislation, and that he had no alternative but to advise Her Majesty that her assent could not properly be given to the bill.

Lord Carnarvon closed his dispatch with the following paragraph, which, I respectfully submit, is a renewal of the promises often made in connection with this subject :

"I am aware that the subject of colonial copyright has long been under consideration, and that attempts were made by Her Majesty's late government, in connection with yourself and your ministers, to arrive at a settlement of this difficult and most important question. I will only now express my readiness to co-operate, and my confident hope that we may without difficulty be able to agree in the provisions of a measure which, while preserving the rights of the owners of copyright works in this country under the Imperial Act, will give effect to the views of the Canadian Government and Parliament."

Pending the fulfilment of the promises thus renewed by Lord Carnarvon, the Parliament of Canada, in 1875, passed a bill, on the subject of copyright in Canada, which was carefully drawn to avoid, as far as possible, conflict with imperial legislation. In order to remove any doubts as to the validity of this bill, an Imperial Statute was passed to authorize its being assented to. This latter is known in Great Britain as the "Canadian Copyright Act of 1875." It authorized Her Majesty to assent to the reserved bill, but forbade the importation into the United Kingdom of colonial reprints of any work which might be copyrighted in Canada, and for which copyright subsisted in the United Kingdom. It placed, practically, the production of such works in Canada on the same footing as foreign reprints. The Canadian Act of 1875 then received royal assent.

It is unnecessary that I should refer in detail to this Act, but it may be proper to state that it seems most liberal and fair in its provisions. It permits an author at any time, having printed his book in Canada, to obtain copyright there. It permits the original author's edition to be imported at all times, so that superior and revised editions may always be procured.

It established interim copyright, so as to protect a work while passing through the press. It provided for temporary copyright to cover the case of works published in serial form, and it extended all the privileges of copyright in Canada to any British subject, and to the subjects of any country which has a treaty on this subject with Great Britain, and thus removed one of the objections which had been taken in earlier times to the effect which Canadian copyright legislation might have on negotiations with the United States, if such legislation should permit the reprinting of works copyrighted in the United States.

It was felt that, pending the question of the Dominion being free to legislate on the subject of copyright generally, it was important to have a Canadian copyright system, inasmuch as, since the Imperial Act of 1842, works published in the United Kingdom had copyright in all the colonies, while, for a work published in any one of the colonies, it was impossible to obtain copyright in the United Kingdom. Our Act,

consequently, gave local copyright, protecting the work printed in Canada, and prevented the importation of republications of any such work after it should have obtained the local copyright, as the Imperial Act prevented the importation of works which had obtained a British copyright.

I now beg to refer your Lordship to the proceedings of the Copyright Commission of 1876, of which your Lordship was a very prominent member, and in which Canada was represented by the late Sir John Rose. In the portion of the report of that commission which deals with the branch of the subject falling under the head of "colonial copyright" some most important statements and recommendations are made.

First, at section 184, it is admitted that "it is highly desirable that the literature of this country should be placed within easy reach of the colonies, and that with this view the Imperial Act should be modified, so as to meet the requirements of colonial readers.

In sections 186, 187 and 188, the following passages occur, which I now beg to cite as confirmation of the narrative which I have given in the early part of this letter, of the effects which immediately followed the Imperial Act of 1842, and as showing that the Canadian Government is now but reiterating an oft-repeated statement, the truth of which has long been established and admitted :—

"186. These means are not available, and indeed are impracticable, owing to the great distances and scattered population, in many of the colonies, and until the cheaper English editions have been published the colonial reader can only obtain English copyright books by purchasing them at the high publishing prices, increased as those prices necessarily are by the expense of carriage and other charges incidental to the importation of the books from the United Kingdom.

"187. Complaints of the operation of the Copyright Act of 1842 were heard soon after it was passed, and from the North American provinces urgent representations were made in favour of admitting into those provinces the cheap United States reprints of English works. In 1846 the Colonial Office and the Board of Trade admitted the justice and force of the considerations which had been pressed upon the Home Government, 'as tending to show the injurious effects produced upon our more distant colonists by the operation of the imperial law of copyright.' And in 1847, an Act was passed 'To amend the law relating to the protection in the colonies of works entitled to copyright in the United Kingdom.'

"188. The principle of this Act, commonly known as the 'Foreign Reprints Act,' is to enable the colonies to take advantage of reprints of English copyright books made in foreign states, and at the same time to protect the interests of British authors."

The result of the "Foreign Reprints Act" is thus stated in sections 193 and 194 :

"193. So far as British authors and owners of copyright are concerned, the Act has proved a complete failure. Foreign reprints of copyright works have been largely introduced into the colonies, and notably American reprints into the Dominion of Canada, but no returns, or returns of an absurdly small amount have been made to the authors and owners. It appears from official reports that during the ten years ending in 1878, the amount received from the whole of the nineteen colonies which have taken advantage of the Act, was only £1,155 13s. 2½d., of which £1,084 13s. 3½d. was received from Canada, and that of these colonies seven paid nothing whatever to the author, while six now and then paid small sums amounting to a few shillings.

"194. These very unsatisfactory results of the 'Foreign Reprints Act,' and the knowledge that the works of British authors, in which there was copyright, not only in the United Kingdom, but also in the colonies were openly reprinted in the United States, and imported into Canada without payment of duty, led to complaints from British authors and publishers, and strong efforts were made to obtain the repeal of the Act."

The request which I have been pressing in this letter, and the grievances which the Canadian Copyright Act of 1889 was intended to remove, are thus summarized in section 195 and the two following :—

Section "195. A counter complaint was advanced by the Canadians. They contended that although they might still import and sell American reprints on paying the duty, they were not allowed to republish British works, and to have the advantage of

Colonial Conference.

the trade, the sole benefit of which was, in effect, secured for the Americans. In defence of themselves against the charge of negligence in collecting the duty, they alleged that owing to the vast extent of frontier and other causes, and also from the neglect of English owners of copyright to give timely notice of copyright works to the local authorities, they had been unable to prevent the introduction of American reprints into the Dominion."

Sec. "196. The Canadians proposed that they should be allowed to republish the books themselves under licenses from the Governor General, and that the publishers so licensed should pay an excise duty of 12 per cent for the benefit of the authors. It was alleged that by these means the Canadians would be able to undersell the Americans and so effectually to check smuggling, and further that the British author would be secured his remuneration, as the money would be certain to be collected in the form of an excise duty, though it could not be collected by means of the customs. Objections, however, were made to the proposal, and it was not carried out."

"197. These considerations led to the suggestion that republication should be allowed in Canada under the author's sanction, and copyright granted to the authors in the Dominion, and upon this a question arose whether Canadian editions which would be probably much cheaper than the English, should be allowed to be imported into the United Kingdom and the other colonies."

The report then proceeded to state the substance of the Canadian Act of 1875, and intimated, what was no doubt correct, that too short a time had elapsed, since its sanction, to ascertain its full effect.

In sections 206, 207 and 208 the following liberal recommendations were made in favour of the colonies :

"206. We recommend that the difficulty of securing a supply of English literature at cheap prices for colonial readers be met in two ways : 1st, by the introduction of a licensing system in the colonies ; and, 2nd, by continuing, though with alterations, the provisions of the ' Foreign Reprint Act.'"

"207. In proposing the introduction of a licensing system, it is not intended to interfere with the power now possessed by the colonial legislatures of dealing with the subject of copyright work, so far as their own colonies are concerned. We recommend that, in case the owner of a copyright work should not avail himself of the provisions of the copyright (if any) in a colony, and in case no adequate provision be made by republication in the colony or otherwise, within reasonable time after publication elsewhere, for a supply of the work sufficient for general sale and circulation in the colony, a license may, upon application, be granted to republish the work in the colony, subject to a royalty in favour of the copyright owner, of not less than a specified sum per cent, on the retail price, as may be settled by any local law. Effective provision for the due collection and transmission to the copyright owner of such royalty should be made by such law."

"208. We do not feel that we can be more definite in our recommendation than this, nor indeed do we think that the details of such a law could be settled by the Imperial Legislature. We should prefer to leave the settlement of such details to special legislation in each colony."

I am unable to find that these recommendations were dissented from by any member of the Commission, even by the gentleman who represented the Copyright Association of Great Britain, and whose letter is annexed to your Lordship's despatch of the 25th March last.

The report seems to have been concluded on the 25th May, 1878, but the recommendation which I have quoted, like so many others in favour of the colonies on the subject of copyright, has unfortunately, not been carried into execution.

Your Lordship cannot then be surprised that after Earl Grey's promise of more than forty years ago, and after more than twenty-two years of agitation on the part of Canada, by addresses from both branches of our Parliament, by memoranda from our Ministers of Finance and Agriculture, by Minutes of Council, and by Statutes passed unanimously in both Houses, introduced by three successive governments, representing opposite political opinion, and with encouragements held out at every stage of the

agitation to expect a reasonable and favourable consideration of our representations by Her Majesty's Government, the Canadian Parliament believed in 1889, that the Act then passed, to give effect to what had so often been asked for, to what had never been refused, and to what had been recommended by the highest authorities in Great Britain, after most mature deliberation should receive a favourable consideration at the hands of Her Majesty's Government, when the Government of Canada asked for the assent of Her Majesty's Government to the issue of a proclamation to bring it into force.

I respectfully refrain from discussing here the legal difficulties by which your Lordship has been impressed, as to the power of the Parliament of Canada to pass such an Act, because I understand that I have your Lordship's permission, to discuss that subject separately, and because it in no way relates to the principle under discussion on this occasion.

Hitherto it has always been either assumed on the part of Canada and Great Britain, or distinctly asserted on the part of Great Britain, that Canada had not the power to pass such an Act, but hope has always been held out that Canada should obtain the power, and I therefore submit, that if your Lordship should continue to be of the opinion that the power does not exist, you will promote legislation to set that question finally at rest, by conferring the power, and that if you should be of the opinion that the power may exist, you will advise Her Majesty to consent to the issue of a proclamation to bring the Act of 1889 into force, under the assurances which have been offered, that a most respectful consideration will be given to any suggestion for the improvement of the measure which your Lordship may think proper to make, after hearing all that may be advanced on both sides.

In the despatch of the 25th March, your Lordship suggested that the Government of Canada would doubtless fully consider whether it would not be well, and be desirable, to leave the law as it now stands, until it should be seen what action would be taken in the United States on the subject of copyright. The action of the United States has since been announced. It is the action which has followed every attempt to establish a copyright arrangement with the United States during the last twenty-five years. The only measure which has ever been offered in the United States Congress, looking to international arrangement, or forming, in any way, the basis for international arrangement, has exacted, as an indispensable condition to American copyright (whether treaty or statutory) reprinting in the United States. Those who are most intimately acquainted with the state of public opinion in that country are confident that that condition will never be dispensed with. We have seen that every measure looking to an international arrangement, even with that condition included, and even the measure which was pending when your Lordship's despatch was written, has been rejected by Congress.

It is not too much then, I hope, to ask that a final decision of the case of Canada should no longer be postponed to await the action of the United States.

Permit me to add, in this regard, a repetition of two points, which I have already hinted at.

First, that the present policy of making Canada a market for American reprints, and closing the Canadian press, for the benefit of the American press, in regard to British copyright works, has a direct tendency to induce the United States to refuse any international arrangement; second, that inasmuch as the existing Canadian copyright law affords protection to the copyright holder in every country which may make a treaty with Great Britain, it cannot be suggested, as it once was, that self-government in Canada, on this subject, would, in the least, impede negotiations with the United States for an international arrangement.

I have the honour to be, my Lord,

Your Lordship's obedient servant,

(Sd.) JNO. S. D. THOMPSON,
Minister of Justice for Canada.

To the Right Hon. Lord KNUTSFORD,
Her Majesty's Principal Secretary of State
for the Colonies, Downing street.

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APPENDIX C.

AN ADDRESS FROM THE IMPERIAL FEDERATION LEAGUE OF CANADA, AT TORONTO.

On the morning of the 12th July, 1894, the delegates to the Colonial Conference were presented with an address by the Imperial Federation League of Canada at Government House, Toronto. The gentlemen who represented the league were: Bishop of Toronto, Messrs. S. G. Wood, N. D. Davidson, C. J. Campbell, J. T. Small, Castell Hopkins, J. P. Murray, A. R. Boswell, Q.C., J. H. Mason, O. A. Howland, M.P.P., P. H. Drayton, J. A. Worrell, Q.C., Barlow Cumberland, E. M. Chadwick and others.

The address which they presented was as follows:—

Mr. Bowell and Gentlemen.

The Imperial Federation League in Canada desire to take advantage of the first opportunity afforded them to express their gratification at the recent conference held at Ottawa, and to welcome as practical exponents of imperial unity the delegates from the great states of the empire.

The league cannot but express its congratulations at the marvellous stride which has thus been taken towards the attainment of a closer union, as well as the hope that the delegates will recognize in the lesser federation which has been successfully accomplished in Canada under great difficulties, an earnest of the attainment of the greater union, for the promotion of which the league exists.

To those who have the honour to address you the idea of the unity of the empire brings sacred memories of the past as well as invincible hopes for the future.

Little more than a hundred years ago the men who came in and possessed this land gave up home, possessions and country, and, bearing the name of the United Empire Loyalists, left a smiling land for what was then a wilderness, rather than abandon the flag of England and enjoy peace and plenty among a people which had declared itself alien to the traditions and government of England.

It is scarce four score years since the tide of war brought by the nation to the south swept over this country and the clash of arms was heard on the very ground on which we stand to-day.

It was here in Toronto, when the war threatened, that General Brock, whose noble monument you saw yesterday adorning the Heights of Queenston, the scene of his greatest victory, used these memorable words: "By unanimity and despatch in our counsels and by vigour in our operations we may teach the enemy this lesson: that a country defended by free men, enthusiastically devoted to the cause of their king and constitution, can never be conquered," words which may well be treasured as a heritage of our race.

Our country thus occupies a position perhaps different from that of any other colony. And recent happy events which tend so strongly to consummate the hopes of our forefathers for a united empire give us a great and a peculiar joy, as we see the links of the chain now extending around the world being so surely and firmly welded together.

It is felt that the labours of those who, during the last ten years have striven in all parts of the empire for closer union have not been in vain, and that the policy commenced by the construction of the Canadian Pacific railway and its use as an imperial highway, continued in the holding in London of the Colonial Exhibition of 1886, the meeting of the Colonial Conference of 1887, and the recent completion of the Imperial Institute has reached in this conference a stage from which magnificent and enduring results may be confidently expected.

It is our earnest hope that gatherings such as this conference will soon be crowned by the establishment of a permanent body, in which all the great questions affecting the commerce and welfare of the empire will be dealt with, so that the subjects of one sovereign, under the prestige and historic memories of a great nationality, shall be able to speak with one voice as a united empire.

On behalf of the Imperial Federation League in Canada.

C. J. CAMPBELL,
Chairman of Committee.

J. CASTELL HOPKINS.
Acting Honorary Secretary.

JOHN T. SMALL,
Honorary Treasurer.

Hon. MACKENZIE BOWELL, in replying, said: On behalf of the conference which has just closed its labours in Ottawa, I offer you hearty thanks for the address which has just been read, proving, as it does, the high spirit of loyalty which characterizes the Canadian people and their love for the highest interests of the British Empire. We sincerely hope that your aspirations may be realized in the near future. The question of imperial federation has been viewed by some with suspicion, by others with doubt, and by those who share your ambitions with hope. It is a question involving a great change in the policy which now governs the empire, and while we may have conflicting views as to the means by which the end may be reached, we earnestly wish you success in your efforts to secure the perfect unity of the empire in all that makes for the growth of its trade and the advancement of all its material interests. We share with you the sentiment of brotherly love which is breathed in your address, and which is bringing the widely separated parts of the empire nearer and nearer together. You have referred to the United Empire Loyalists. I never hear that name without being thrilled with admiration for those noble men and women who left comfortable homes across the line and took up life in what was then the wilderness of Canada, in order that they might not be forced to live under a foreign flag or take up arms against the mother country. No one can read the history of that movement without admiring the devotion to country which sustained those pioneers in the sufferings which their loyalty brought upon them. I shall not detain you further than to wish you godspeed in the objects you have in view, and whether that federation may be of the character you desire or not, it is at least true that we all desire to see every branch of the English speaking people in Her Majesty's dominions united by one grand bond, so that their influence and power may be exercised for the strengthening and advancement of the British Empire. (Applause.)

SIR HENRY WRIXON, replying on behalf of the colonies, said: I esteem it an honour to say a word or two on behalf of the Australian delegates. We recognize your courtesy in waiting on us this morning and we cordially reciprocate your sentiments and good wishes for the unity of the empire. Although we live in an outlying and distant part of that empire, we dearly prize the honour of belonging to it. It is an empire on which has been truly said the sun never sets, and under whose flag is spoken every language on earth. If anything were needed to give us an idea of the grandness of that empire it is to realize, as we go through your great Dominion—in itself almost a kingdom—that it is but a small part of the great nation to which we belong. (Applause.) Nothing since our leaving home has struck us more forcibly than the men who inhabit the Dominion of Canada. We have seen wonders in nature and the wealth which your country contains. Your scenery is beyond that of any part of the world. These things are grand, but let me say that they do not make a nation. It is not the fertility of the soil, the richness of mines nor great waterways that make a nation. It is the people who make a nation. We know that wealth and fertility of land have marked nations which fell into decay; but here we have seen in your people all the elements of progress and growth. We have seen that you are thoroughly Anglo-Saxon in character and filled with that determination which has made the motherland and which has been exemplified

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in the deeds commemorated by that noble statue we saw at Queenston Heights yesterday—the monument to General Brock. In conclusion, let me say, that we Australians hope we may be found not unworthy brothers of yourselves and members of this great empire." (Applause.)

Mr. BOWELL explained the reasons which accounted for the absence of the Earl of Jersey and two or three other members of the colonial conference.

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APPENDIX "D."

Acting on instructions given by the resolution of the conference, the following advertisement has been inserted in the *Times*, the *Canadian Gazette*, the *Electrical Review* and *British Australian* of London :—

THE PACIFIC CABLE.

The Government of Canada invites cable manufacturing contractors and others to state the terms upon which they will be prepared to lay, and maintain in efficient condition, a submarine electric cable across the Pacific from Canada to the Australasian Colonies.

General conditions under which the offers are to be made may be ascertained on application at the Department of Trade and Commerce, in Ottawa, or at the office of the High Commissioner for Canada in London.

Offers addressed to the undersigned will be received by him until November 1st, 1894.

MACKENZIE BOWELL,

Minister of Trade and Commerce.

OTTAWA, August 6th, 1894.

GENERAL CONDITIONS.

1. At the Colonial Conference, held in Ottawa between June 28th and July 8th (inclusive), a series of resolutions were passed relating to the Pacific cable (copies appended). It was resolved, among other things, that immediate steps should be taken to provide direct telegraphic communication between the Dominion of Canada and the Australasian colonies. At the unanimous request of the delegates present at the conference, the duty of giving effect to the resolutions passed, and the views expressed, devolved upon the Canadian Government.

2. In order to obtain definite data to enable the governments concerned to consider and adopt the best means of carrying out the undertaking, the Canadian Government deems it expedient to invite proposals for establishing the cable, in three different forms, viz. :—

FORM A.—*The cable to be owned and controlled by government ; to be worked under government authority, and to be kept in repair by the contractor for three years.*

Cable manufacturing contractors to state the lowest cash price for which they will be prepared to supply and lay the cable, the terms and conditions upon which they will guarantee its permanency, and the annual payment for which they will maintain it in efficient condition for three years after the whole line shall have been completed and put in operation.

FORM B.—*The cable to be owned, maintained and worked by a subsidized company.*

The contracting parties to find the capital, establish, work and maintain the cable in efficient condition, for a subsidy to be paid to them annually for a term of years, by the contributing governments. The offers to state the amount of subsidy to be paid yearly, and the number of years it is to be paid. The maximum rates to be charged on messages to and from Great Britain and the Australasian colonies, shall be as follows :—Three shillings per word for ordinary telegrams ; two shillings per word for government telegrams ; and one shilling and six pence for press telegrams. The charges on messages between Canada and the colonies to be proportionate.

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FORM C.—*The cable to be owned, maintained and worked by a company, under a government guarantee.*

The contracting parties to find the capital, establish, work and maintain the cable in efficient condition. The offers to state what guarantee of gross revenue will be required; the difference between gross earnings and the amount guaranteed to be made good each year to the company by the contributing governments. The rates to be charged for the transmission of messages to and from Great Britain and the Australasian colonies shall be as follows:—Three shillings per word for ordinary telegrams; two shillings per word for government telegrams; and one shilling and sixpence per word for press messages. Trans-Pacific messages to be charged at proportionate rates. The tariff of charges to be approved and not changed unless by governmental sanction.

ROUTE OF CABLE.

Offers will be received for laying the cable on each of the routes described as follows:—

Route No. 1.

Commencing at Vancouver Island the cable to extend to Fanning Island, thence to a suitable island in the Fiji Group. From Fiji to Norfolk Island, and at that point the route will bifurcate to the northern part of New Zealand, and to a convenient point near the boundary between New South Wales and Queensland.

	Knots.
Vancouver Island to Fanning Island.....	3,232
Fanning Island to Fiji.....	1,715
Fiji to Norfolk Island.....	1,022
Norfolk Island to New Zealand.....	415
Norfolk Island to Tweed Mouth, near boundary New South Wales and Queensland	761
Total	<u>7,145</u>

Route No. 2.

From Vancouver Island the cable to be laid to a small unoccupied island indicated on the charts as Necker Island, situated about 240 miles westward from the most western island of the Hawaiian Group and about 400 nautical miles from Honolulu. From Necker Island the cable to extend to Fiji, and thence, as in route No. 1, to New Zealand and Australia. On the section between Necker and Fiji possibly Howland Island or Baker Island may be available for a mid-station but the exact position has not been ascertained.

	Knots.
Vancouver Island to Necker Island.....	2,431
Necker Island to Fiji.....	2,546
Fiji to Norfolk Island.....	1,022
Norfolk Island to New Zealand.....	415
Norfolk to Tweed Mouth	761
Total	<u>7,175</u>

Route No. 3.

As in route No. 2 the cable to extend from Vancouver Island to Necker Island, thence to Onoatua or some one of the eastern islands of the Gilbert Group. From this station in the Gilbert Group two branches to extend, one to Queensland and the other

to New Zealand. The Queensland branch to touch at San Christoval Island in the Solomon Group, and terminate at Bowen, connecting at that point with the land lines, easterly to Brisbane and Sydney, westerly to the Gulf of Carpentaria.

	Knots.
Vancouver Island to Necker Island.....	2,431
Necker Island to Onoatua (in Gilbert Group).....	1,917
Onoatua to Fiji.....	980
Viti Levu to New Zealand.....	1,004
Onoatua to San Christoval (Solomon Group).....	953
San Christoval to Bowen, Queensland.....	980
Total.....	<u>8,265</u>

Route No. 4.

As in routes Nos. 2 and 3 the cable to be laid from the northern terminal point to Necker Island. From Necker Island to extend in a direct course to Bowen, touching at Apamana, a central island in the Gilbert Group, and at San Christoval, of the Solomon Group.

	Knots.
Vancouver Island to Necker Island.....	2,431
Necker Island to Apamana (Gilbert Group).....	1,865
Apamana to San Christoval (Solomon Group).....	970
San Christoval to Bowen, Queensland.....	980
Total.....	<u>6,246</u>

Route No. 5.

As in routes Nos. 2, 3, and 4, the cable to run from Vancouver Island to Necker Island; from Necker Island to Fiji, thence direct to New Zealand.

	Knots.
Vancouver Island to Necker Island.....	2,431
Necker Island to Fiji.....	2,546
Fiji to New Zealand.....	1,150
Total.....	<u>6,127</u>

Route No. 6.

From Vancouver Island the cable to extend to Honolulu; from Honolulu to Fiji, and from Fiji to follow route No. 1 to New Zealand and Australia. On the section between Honolulu and Fiji one of the Phoenix Islands may possibly be found available for a mid-station.

	Knots.
Vancouver Island to Honolulu.....	2,280
Honolulu to Fiji.....	2,600
Fiji to Norfolk Island.....	1,022
Norfolk Island to New Zealand.....	415
Norfolk Island to Tweed Mouth.....	761
Total.....	<u>7,078</u>

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Route No. 7.

From Vancouver Island the cable to extend to Honolulu ; from Honolulu to Ono-
atoa of the Gilbert Group ; from Onoatoa to San Christoval of the Solomon Group ;
from San Christoval to Bowen.

	Knots.
Vancouver Island to Honolulu	2,280
Honolulu to Onoatoa	2,080
Onoatoa to San Christoval	953
San Christoval to Bowen	980
Total	<u>6,293</u>

Route No. 8.

From Vancouver Island the cable to extend to Honolulu ; from Honolulu to Fiji,
possibly with a mid-station on this section if a suitable island be available. From Fiji
the cable to run direct to New Zealand.

	Knots.
Vancouver Island to Honolulu	2,280
Honolulu to Fiji	2,600
Fiji to New Zealand	1,150
Total	<u>6,030</u>

The northern terminus of each route is on Vancouver Island. The cable will land
at some suitable port to be determined, probably at Port San Juan, near the entrance
of the Strait of San Juan, or at Barclay Sound.

The several routes above described are shown generally on the accompanying map
of the world. The distances given in each case are believed to be approximately correct
but are not guaranteed. Parties offering to provide and lay the cable must make their
own calculations of distances and satisfy themselves.

Character of Cables.—Proposals will describe the type of cables intended to be used
on each section, and state the weight of conductors and insulators per knot in each case.

Shore Ends.—The best description of landing cables must be employed at terminal
points and all mid-stations. The proposals will describe the character, weight and
length of shore-end cables to be used in each case.

Speeds.—The calculated speeds for each section of the cable shall in no case be less
than 12 words per minute.

Stations and Equipment.—Each offer will describe the character and approximate
cost of buildings, instruments, &c., to be furnished for each terminal and mid-ocean
station.

Repairs and Maintenance.—Proposals will state the provision intended to be made
for repairs and maintenance, the number, tonnage and value of repair steamers. In the
case of offers made under Form A, the steamers and stores will be found by, and remain
the property of the contractor, until the end of three years from the completion of the
cable to be then taken over at a valuation as may be stipulated and agreed.

Surveys.—Charts may be seen at the Department of Trade and Commerce, Ottawa,
and at the office of the High Commissioner for Canada in London, showing the soundings
which have been made from time to time in the Pacific as far as recorded. It is ex-
pected that additional soundings will shortly be made, but parties making proposals
must assume all risks and in the event of a contract being entered into, for establishing
the cable, the contractors must themselves take means to find the most suitable points
for landing the cable at all terminal and mid-ocean stations. It will be understood
that in each instance, the landing privileges are to be secured by the contributing gov-
ernments.

Time of Completion.—The time limited for the completion of the cable is three years from the date of the contract ; but as it is desirable to have telegraphic communication established as soon as practicable, proposals may state a shorter period ; or the same parties may make two offers, one on the basis of three years, the other on the shortest period within which the undertaking may be accomplished.

PROPOSALS.

Proposals based on the above general conditions, and in either of the three forms set forth, to be addressed to the Minister of Trade and Commerce, and delivered at his department in Ottawa, on or before the first day of November, 1894.

DEPARTMENT OF TRADE AND COMMERCE,
OTTAWA, 6th August, 1894.

Letter from Mr. Sandford Fleming to the Minister of Trade and Commerce, ex-President of the Colonial Conference, 1894.

OTTAWA, July 20th, 1894.

The Honourable MACKENZIE BOWELL.

DEAR SIR,—I feel it my duty to point out that it seems to me expedient for the Canadian Government at once to cable manufacturing firms or others to state the terms upon which they would be prepared to lay the Pacific cable, supply all required station buildings, instruments and equipment generally, and maintain the whole in efficient working condition. I beg leave to submit the following reasons, viz. :—

The conference passed unanimously five resolutions (copies appended) bearing directly on the establishment of a Pacific cable. The first states "That immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia." It was considered desirable to ascertain definitely the cost of the undertaking, and it was assumed that to obtain that object a survey was necessary ; it was, therefore, resolved in the second resolution "That the Imperial Government be respectfully requested to undertake, at the earliest possible moment, and to prosecute with all possible vigour, a thorough survey, the expense to be borne, in equal proportions, by Great Britain, Canada and the Australasian colonies."

The fifth resolution threw upon the Canadian Government the duty of giving effect to these resolutions and "generally to take such steps as may be expedient, in order to ascertain the cost of the cable, and promote the establishment of the undertaking in accordance with the views expressed in the conference."

The conference rose on July 8th ; next day the delegates proceeded to Toronto. The party was joined by Mr. Alexander Seimens, President of the Institution of Electrical Engineers, and head of the well-known firm of Seimens Brothers. Mr. Seimens, for some weeks back, had been engaged in laying the seventh cable which his firm has laid across the Atlantic, and arrived in Ottawa on the 9th, too late to give evidence at the meetings of the conference, should he have been asked to attend. Mr. Seimens, however, placed in the hands of each delegate a paper containing his views on the Pacific cable. In this paper he points out that the character of the Pacific Ocean is already sufficiently known to admit of the cable being laid, without such a survey as that contemplated by the second resolution. I inclose a copy of Mr. Seimens's paper.

This opinion, coming from such an authority, strongly impressed the delegates, and in conversations I had with them I found the general feeling to be, that the Canadian Government should not wait for a survey such as that proposed, but should at once invite cable manufacturers to state the terms upon which they would carry out the work and leave it in a complete and perfect condition.

In taking this step it would be necessary to furnish a general specification of what is required, in order that all offers be made on the same basis ; moreover, as it is desirable to have full information on all points, the offers to be received should embrace the cost of the cable by alternative routes.

Colonial Conference.

In travelling with the delegates during the past ten days I have had opportunities of discussing with them the financial aspect of the Pacific cable. I likewise obtained from Mr. Siemens full explanations on all the matters alluded to in his paper.

I feel warranted therefore in submitting for the consideration of the Government the following remarks: The main points to be considered are:

1st. The revenue, calculated on the business which may reasonably be expected.

2nd. The annual charges on revenue.

With respect to the revenue. If it will take three years to establish the cable, 1898 will be the first year of its full operation. On pages 70 and 71 of the report on the mission to Australia, will be found an estimate of the proportion of business which would fall to the share of the Pacific cable for that year, 1898. The estimate was made a year ago and was based on the assumed telegraphic business for 1893 between Australia and Europe, which has been exceeded by actual results. See foot-note, page 71. Correcting the estimate in this respect, the business for 1898 may be set down at 1,105,000 words, which reckoned at two shillings a word would yield a gross revenue for the first year's operation of the Pacific cable of £110,000. It will be borne in mind, moreover, that this estimate is for European business, and includes nothing for the business between Canada, the United States and Australia, at present insignificant, but which, in a few years, with greatly improved facilities, will undoubtedly develop to considerable proportions. For these reasons I am satisfied that the estimates submitted will be fully realized and more than confirmed by actual results.

Bearing on these estimates, a friend wrote me from London a few weeks back, as follows: "I have been looking over the proceedings of the Colonial Conference of 1887, where a memorandum of yours is given, dated April, 1886 (page 101). In it you show a probable traffic for the year 1893 of 133,000 messages, equal to 1,330,000 words. The actual business for the past year, according to Sir John Pender, was 1,306,716 words, and according to Australian returns, 1,401,292 words. In either case the prediction made eight years ago is approximately correct." I mention this merely to bring out the fact that the principles on which the estimates are formed, are sound, and that the estimates themselves may generally be considered safe.

With respect to the charges on revenue; viz.:—

1. Interest on capital.
2. Working staff and management.
3. Repairs and maintenance.

The first and second are constant, the third is variable. Experience goes to show that failure and interruptions in cables, due to defects in manufacture or causes connected with laying, generally take place within the first year or two. For this and other reasons, I propose that the manufacturers should be asked to undertake to keep the cable in efficient working order for three years; we may thus eliminate from revenue account for that period all charges for repairs and maintenance.

Assuming that the cost of the cable and its maintenance for three years will be, in round figures, £2,000,000, the revenue account for the year 1898 would stand as follows:—

Earnings as estimated.....	£110,000
Interest on £2,000,000 at 3 per cent.....	£60,000
Staff and management.....	30,000
	90,000
Surplus revenue.....	£ 20,000

In the above I have taken Mr. Siemens's estimate of the cost of staff required for stations, and office expenses at each point, viz., £24,000. I have increased Mr. Siemens's allowance for general management to £6,000, the two making in all £30,000 per annum. This charge will be constant, and will suffice, as pointed out by Mr. Siemens, for a business more than six times greater than that estimated for the year 1898, and by introducing duplex working, for a traffic ten or twelve times greater.

I have pointed out elsewhere that the average normal increase of telegraph business between the Australasian colonies and Europe was 14 per cent per annum, during the period when the high rates charged for a period of eight years were in force, that is to say, under a tariff rate of 9s. 4d. per word from 1882 to 1890. Manifestly under the low rates proposed to be charged by the Pacific cable, the normal increase will be greater than 14 per cent per annum; more especially as the whole North American business will receive a great incentive from direct communication, and all this additional and constantly growing traffic must find its way by the Pacific cable, to and from Australia. I venture to think that it would not be too sanguine an estimate to place the annual increase of business at 18 or 20 per cent, but to be perfectly safe I shall limit it to 15 per cent in the calculations which follow, that is to say, only one per cent more than the average annual increase realized under the high tariff for the eight years previous to 1890.

ESTIMATE

of the business of the Pacific cable for ten years after its completion, calculated on the basis of 1,100,000 words, for the year 1898, an average normal increase of 15 per cent per annum thereafter:—

	Gross Earnings. £	Interest and Working Expenses. £	Surplus. £
1898	110,000	90,000	20,000
1899	126,500	90,000	36,500
1900	143,000	90,000	53,000
1901	159,500	90,000	69,500
1902	176,000	90,000	86,000
1903	192,500	90,000	102,500
1904	209,000	90,000	119,000
1905	225,000	90,000	135,500
1906	242,000	90,000	152,000
1907	258,500	90,000	168,500

As we have eliminated all but the fixed charges on revenue for the first three years, an examination of the above table will show that the surplus up to the fourth year will have accumulated to £109,500, which sum, together with the annually increasing surplus thereafter accruing, would be sufficient to meet all charges for repairs and maintenance and leave a balance to be carried to a cumulative reserve, for renewals at some future day.

I may mention that I have submitted in outline this financial scheme to the delegates from New South Wales, Victoria, Queensland and New Zealand, with whom I have had the advantage of frequent consultations since the conference rose, and I have the satisfaction to state that it finds favour with each of them. That feature of the scheme by which all the uncertain charges for repairs and maintenance would be embraced in the contract with the manufacturers of the cable, would not only have a tendency to secure a cable of the very best make and character but it would defer all charges against revenue, which revenue could not fully meet, until a date later than the payment of the last annual subsidy to the Eastern Extension Company. The Australian Governments now contributing to that subsidy could then with greater ease make up any possible shortage which may arise in connection with the new cable. The estimate, however, shows clearly that under this scheme there is every prospect of the Pacific cable being self-sustaining from the first.

In view of these considerations I feel warranted in strongly recommending that steps be at once taken to ascertain the terms upon which cable manufacturers would be prepared to lay the cable and maintain it in efficient operation for a term of three years. This data definitely obtained, the several governments would be in a position to arrange how they could best co-operate in carrying out the undertaking.

Colonial Conference.

Touching the co-operation of several governments in a common object, I referred to the question in the remarks I submitted at the conference. Since then I have discussed the matter with some of the Australian delegates, who see no difficulty which cannot be easily overcome; they give as a precedent the agreement entered into in 1886 by New South Wales, Queensland and Victoria for the administration of British New Guinea. By this arrangement one of the colonies (Queensland) undertook the cost of administration, the other colonies passing special acts of indemnification. Mr. Thynne has sent me a copy of the Queensland Act, 51 Vic., No. 9, 1887, which I am glad to place at your service.

Yours faithfully,
SANDFORD FLEMING.

REMARKS ON THE PACIFIC CABLE, BY MR. ALEXANDER SEIMENS,
REFERRED TO IN MR. SANDFORD FLEMING'S LETTER, JULY 20TH,
1894.

(*Extract.*)

With regard to the technical difficulties raised in 1887, it may not be out of place to consider that the necessity for a close survey of a cable route arises principally from the requirements of the engineer laying the cable, who has to know at every moment the exact depth of water into which the cable passes.

The brake-power with which the cable is held back and by which the percentage of slack is regulated, has to be adjusted according to the depth of water in order to ensure an even distribution of the slack along the whole route of the cable. Such a distribution prevents accidents, economizes cable and facilitates repairs, hence the usual practice is to lay cables only on routes where very frequent soundings have been taken; and in 1887 the experts consulted by the Imperial Government were not satisfied that the Pacific Ocean was sufficiently well explored for this purpose.

During the last seven years the work of survey has steadily progressed, and at present it may be asserted that the route proposed at the Wellington Conference passes nowhere through waters more than 3,500 fms. deep.

On the Admiralty chart, No. 780, corrected in November, 1892, the route from North Cape (N.Z.) to Suva (Fiji Islands) shows 2,594 fms. as the greatest depth.

Between Suva and Samoa no very great depth is met with, and from Suva, or Apia, to the Phoenix Islands, the greatest depth is 3,312 fms.

The same chart shows 3,020 fms. as a maximum on part of the route from the Phoenix Islands to Honolulu; this route is continued on Admiralty chart No. 782, corrected to June, 1890, where a depth of 3,448 fms. is shown.

A continuation of the soundings can be seen on the same chart, or better on Admiralty chart No. 787, which is corrected to March, 1894, and gives 3,252 fms. as the greatest depth between Honolulu and San Francisco. These routes do not coincide exactly with the Wellington route, but they, together with a number of other soundings shown on the charts, bear out the general features of the bed of the Pacific Ocean, shown by Mr. John James Wild, member of the civilian scientific staff of H.M.S. "Challenger," in his essay on the depth, temperature, and currents of the ocean, entitled "Thalassa." This work appeared in London (Marcus Ward & Co.) in 1877.

If the adjustment of the brake-power depended entirely on the knowledge acquired by soundings taken previously on the selected route of the cable, grave doubts might still exist whether the laying of the Pacific cable could be proceeded with without further information being obtained by carefully taking soundings over the exact route. Fortunately means have been devised to indicate to the brakesman continuously the percentage of slack with which the cable is payed out, and thus it is possible to lay a cable over a route of which only the general features are known.

This contrivance has been used with perfect success in the laying of six Atlantic cables, so that there is no doubt as to its performance realizing its theoretical advantages. The depth of water met with in the Atlantic reaches 3,000 fms. in several places where the cables have been laid, so that there is no doubt about the possibility of laying cable in 3,500 fms., or even more.

To be sure it will be necessary to select a type of cable which combines great strength with light weight, but there is no difficulty in this either, as it has been possible to construct cables for the Atlantic which will carry 7,000 fms. of their own length before they break.

It may, therefore, be taken for granted that any technical obstacles which were apprehended in 1887 have now been overcome, and that the cable can be laid as soon as the financial question has been settled.

In order to ascertain clearly what the probable financial position of the cable would be, a complete scheme has been worked out for a route consisting of the sections:—

1. Ahaipara Bay (N.Z.) to Suva (Fiji Islands).
2. Suva (Fiji) to Canton, or Mary (Phoenix Islands).
3. Canton (Phoenix) to Necker Island.
4. Necker Island to Vancouver, B.C., of which the details are appended.

As capital, the sum of £2,000,000 has been assumed to cover the cost of the cable, of two repairing steamers, of about 1,800 tons each, of building instruments, and to furnish a working capital of about £50,000.

The working expenses are divided into:—

a. General management.....	£ 5, 00
b. Staff and office expenses at stations.....	24,000
c. Repair and maintenance of cables.....	90,000

Total annual outlay.....	<u>£119,000</u>
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a. The first item explains itself.

b. Of the second item, the details will be found in the appendix.

c. The cost of the repair and of the maintenance of the cable is the most difficult to estimate, and the expenditure is naturally divided into a fixed and a variable part.

The fixed expenses consist, first, in maintaining the two steamers in efficient working order; this is amply covered by the allowance of £100 per month per steamer, and secondly, in the wages of crew, victualling and other running expenses, these are certain not to exceed £20 per day per steamer.

It is not likely that each steamer will have to go to sea, on the average, more than two months every year, or that more than 2,000 miles of cable will be used up during that time.

Still these maximum figures are used in the estimate and bring up the total annual cost of the actual repairs and of the maintenance of the steamers to £90,000 or to over £12 per naut. mile of cable laid. That this is a safe estimate may be gathered from the fact that it is usual to calculate £6 per naut. mile to cover this expenditure, and that one at least of the Atlantic companies is able to keep its 6,000 miles of cable in efficient working order for £4 per naut. mile.

The most important factor in determining the cost of repairs is without doubt the quality of the cable land, and no greater mistake can be committed than to cut down capital expenditure in an undertaking of the importance and of the magnitude as the Pacific cable undoubtedly is.

It should also be noticed that Sir John Pender in his letter to the Marquess of Ripon estimates the repairing expenses at £35,000 or at the low figure of £4 15s. per nautical mile per annum. This figure he may, however, having taken from previous estimates of expenditure published by the advocates of the scheme as they give the same figures.

The real uncertainty of the financial prospects of the Pacific cable is, however, encountered when the probable income is estimated.

In respect to this point, Sir John Pender's opinion is manifestly unfair as he allows not more than one-half of the existing traffic to pass over the new cable at extravagantly low rates; although it is quite likely that this would be all the traffic obtainable during the first year.

Colonial Conference.

Mr. Sandford Fleming, the indefatigable promoter of the Pacific cable, appears to have taken the fairest view of the question, when he estimates that the expenses will exceed the earnings during the first few years, but that a cheap tariff and expeditious working will soon attract the public and convert the cable into profitable investment.

From Sir John Pender's letter it appears that the Australian traffic of the existing company is worth £209,628 net for 1,306,716 words, or 3s. 2½d. per word. If the Pacific cable earned half this amount during the first year, it would pay, in all probability, the working expenses of that year with an ample margin, as it is not likely that any heavy repairs would become necessary during that time.

There are, however, too many factors left uncertain when the probable traffic of the Pacific cable is compared with the existing traffic over another route and under totally different circumstances. Sir John Pender has, for instance, quite ignored that at present the intercourse between America and Australasia does not give rise to frequent telegrams, but when the interests served by the cables are taken into careful consideration, and the great possibilities of commerce between America and Australasia are appreciated at their proper value, small doubt can exist about the Pacific cable earning as much money per naut. mile of its lengths as the average of the existing submarine cables.

As long ago as the 2nd April, 1887, the *Pall Mall Gazette* published an article on submarine cables by Mr. Henniker Heaton, from which the following interesting figures are taken:—

At that time 26 submarine cable companies were in existence, possessing 100,000 naut. miles of cable, laid with an expenditure of £35,000,000 capital. These cables earned (including subsidies) £3,173,692 per annum, enabling the companies to pay from 1 to 14½ per cent dividends. In addition the reserve and sinking fund of all the companies amounted to £3,400,000.

From Mr. Heaton's figures it follows that the capital outlay per nautical mile of submarine cable is, on the average, £350 and the annual revenue is £31 15s. per naut. mile.

According to Mr. Heaton, the capital outlay of the Eastern Telegraph Company was £299 per naut. mile, and their income, at that time, £35 per naut. mile per annum.

The Eastern Extension Company had to lay out £265 per naut. mile, and was earning £39 10s. per naut. mile per annum.

If the capital outlay for the Pacific cable be taken to be £2,000,000 and its length from Ahaipara Bay (N. Z.) to Vancouver (B. C.) as 7,340 naut. miles, the cost per naut. mile will be about £273. On the other hand, earning £30 per mile, the annual income from the cable would amount to just over £220,000.

The figure will naturally not be reached during the first two or three years, but it is even under the average of the earnings of all submarine cables seven years ago, and since that time correspondence has continued to increase rapidly. One of the Atlantic companies, for instance, earned on the average during the last three years more than £50 per mile.

If the share of the Pacific cable is 2s. per word, it only wants 2,200,000 words per annum to realize this income, and the cable communication, which can be established for £2,000,000, would be capable of transmitting 15 words per minute on the recorder. This corresponds to over 7,000,000 words per annum, but the speed of sending messages through the cable can practically be doubled by introducing duplex working when the traffic requires it.

It is, therefore, not extravagant to assume that in regular working there will be a surplus of £101,000 per annum.

This would be utilized for paying 3 per cent on the capital outlay and placing the rest to the credit of a sinking fund.

As the cost of repairs includes replacing on the average 200 miles of cable per year, the whole of the cable will be renewed in about 7 years.

If the cable is manufactured with the best materials and with proper care, it may be assumed that it can only be destroyed by local influences or by extraordinary occurrences, for it is proved beyond doubt that cable free from electrical faults will not deteriorate.

A very striking example of the durability of cables was the finding of some part of the original gutta-percha covered conductor, laid without any further protection between Dover and Calais. Although this wire had been in the sea for over 30 years when it was picked up by the ss. "Monarch" (the General Post Office telegraph steamer) it looked like new, and no deterioration could be detected.

Generally speaking all those submarine cable companies have succeeded who have laid their cables on a strictly commercial basis, by expending their capital for nothing but legitimate purposes; it is therefore, to be anticipated that their example can be followed in establishing telegraphic communication between Canada and Australia and that the Pacific cable will prove to be a good investment in spite of adverse opinions.

The time required for completing the work provided that the two repairing steamers are assisting in carrying the same out would be about three years, if no serious accidents delay the undertaking.

For an additional outlay of £30,000 a second large cable steamer could be employed and the time of completing the cable shortened to two years after commencing the manufacture.

ALEXANDER SEIMENS.

OTTAWA, 9th July, 1894.

ESTIMATES APPENDED TO MR. SEIMENS'S PAPER.

BUILDINGS AND INSTRUMENTS.

	Morton's Buildings.		Sets of Instruments.	
	B.C.C. No. 2.	No. 795.	Recorder.	Testing.
Vancouver	1		2	1
Necker Island.....		4	3	1
Canton Island.....		4	3	1
Suva.....	1	2	3	1
Ahaipara	1	2	3	1
Totals	3	12	14	5

3 cable houses B.C.C. No. 2 at £300	£ 900
3 sets fittings for do £200	600
12 houses, No. 795, at £1,000	12,000
12 outfits for same at £500	6,000
14 sets recorders complete at £400	5,600
5 sets testing instruments, with extra spares, at £240	1,200
Transport and erection	3,700
	<u>£30,000</u>

No land is included, nor the erection of buildings on Necker and Canton, unless in the opinion of our engineer-in-charge the buildings can be erected by our own staff without delaying operations.

Colonial Conference.

STAFF REQUIRED FOR STATIONS AND OFFICE EXPENSES.

Vancouver, B.C. :—

	Per annum.
1 superintendent.....	£ 400
4 clerks at £200.....	800
2 messengers at £50.....	100
4 boys at £30.....	120
Taxes, ground rents, renewals and repairs.....	200
Stationery, insurance, advertising.....	200
Sundries unforeseen.....	200
	£2,000

Necker and Canton Islands (each) :—

1 superintendent.....	£ 600
8 clerks at £500.....	4,000
3 messengers at £100.....	300
Rations £1 per week per head.....	600
Sundries unforeseen.....	500
	2 x £6,000
	12,000

Suva, Fiji, and Ahaipara, N.Z. (each) :—

1 superintendent.....	£ 500
8 clerks at £400.....	3,200
3 messengers at £80.....	240
Rations £1 per week per head.....	600
Sundries unforeseen.....	460
	2 x £5,000
	10,000

Total annual cost of staff and office expenses.....	£24,000
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REPAIR AND MAINTENANCE OF CABLES.

Two repairing steamers of about 1,800 tons each, fitted complete, at.....	£ 100,000	£ 200,000
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ANNUAL COST—

(a) *Fixed Expenses—*

Repair of hull and machinery at.....	£ 1,200	£ 2,400
Wages of crew, victualling and other running expenses—		
2 x 365 days, at.....	20	14,600

(b) *Variable Expenses—*

Two months at sea, each steamer—

For ropes and other stores, extra pay, &c., at £125 per day.....	£ 15,000
100 naut. miles cable, at £200 per naut. mile.....	20,000
100 naut. miles cable, at £350 per naut. mile.....	35,000
Sundries.....	3,000
	£ 90,000

The variable expenses (b) are usually estimated at £6 per naut. mile, which would, in this case, amount to about £45,000.

One steamer to be stationed at Vancouver, B. C., and the other steamer to be stationed at Suva (Fiji Islands).

CAPITAL ACCOUNT.

Capital to be raised under government guarantee at 3 per cent.....£	2,000,000	7,340 naut. miles cable.....£	1,720,000
		Steamers.....	200,000
		Buildings, &c.....	30,000
		Working capital.....	50,000
			<u>£ 2,000,000</u>
Cost per nautical mile.....£273			

REVENUE ACCOUNT.

General management.....£	5,000	Earnings.....£	220,000
Building staff.....	24,000		
Repairs and renewals.....	90,000		
To profit and loss account.....	101,000		
	<u>£ 220,000</u>		

PROFIT AND LOSS ACCOUNT.

3 per cent interest on capital.....£	60,000	From Revenue Account.....£	101,000
2 per cent amortisation of capital.....	40,000		
Carried forward.....	1,000		
	<u>£ 101,000</u>		

The earnings are estimated at £30 per naut. mile (the average amount of the earning of all cables, according to Mr. Henniker Heaton).

If share of Pacific cable is 2s. per word, 2,200,000 words are wanted, while cables are calculated for 15 words per minute or more than 7,000,000 words per annum. This capacity can practically be doubled by introducing duplex working when the traffic requires it.

Colonial Conference.

to be

APPENDIX "E."

(Copy.)

HER MAJESTY'S ACKNOWLEDGMENT AND THANKS.

OTTAWA, 8th September, 1894.

SIR,—I am directed by His Excellency the Governor General to transmit to you a copy of a despatch from the Right Honourable the Secretary of State for the Colonies conveying to you an expression of Her Majesty's sincere thanks for the loyal address from the colonial conference assembled at Ottawa, and of her deep interest in the proceedings over which you presided.

I have the honour to be, sir,

Your obedient servant,

(Sd.)

C. J. JONES,

For the Governor General's Secretary.

The Hon. MACKENZIE BOWELL,
Minister of Trade and Commerce.

The Marquess of Ripon to the Earl of Aberdeen.

Canada,

DOWNING STREET, 30th August, 1894.

No. 246. MY LORD,—I duly received your despatch No. 229 of the 6th inst., and laid before the Queen the address which you inclosed from the colonial conference assembled at Ottawa.

I am commanded to request that you will convey to Mr. Mackenzie Bowell an expression of Her Majesty's sincere thanks for this loyal address, and of her deep interest in the proceedings of the important conference over which he presided.

I have, &c.,

(Sd.)

RIPON.

Governor General,
&c., &c.